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THESIS

**CONTINGENCY CONTRACTING AND PRIVATE
VOLUNTEER ORGANIZATION PROCUREMENT IN
UZBEKISTAN; A COMPARATIVE ANALYSIS**

by

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June 2002

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ORGANIZATION PROCUREMENT: A COMPARATIVE ANALYSIS**

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requirements for the degree of

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Based on the information collected by interviewing members of several PVOs in Uzbekistan, including in-depth interviews with the staff of two PVOs - Heart to Heart and Samaritan's Purse - as well as contingency contracting officers in Uzbekistan, this thesis identifies and discusses three best practices applicable to contingency contracting. These best practices are: 1) develop hands-on, in-depth contingency contracting training methods including scenario-based training, temporary duty assignments at deployed contingency contracting cells for contingency contracting officer trainees, and contracting officer internships with PVOs; 2) empower contingency contracting officers under Executive Order 10789 with full control of all purchases under \$50,000.00; and 3) network with PVOs already operating in country to obtain socio-economic and market data typically unavailable to contingency contracting officers upon initial deployment to a region in crisis.

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I. INTRODUCTION

Success in complex humanitarian emergencies will be determined by the degree to which all of the players can step outside of their individual cultures and value systems, surrender some of their autonomy, and seek the best, rather than the worst, in those with whom they must solve the problems they confront.

Andrew Natsios
Director, U.S. Agency for International Development

A. PURPOSE

This thesis compares and contrasts Private Volunteer Organization (PVO) procurement during humanitarian missions with contingency contracting supporting stability operations. It examines PVOs responding to the needs in Uzbekistan as well as military contingency contracting officers in Uzbekistan supporting *Operation Enduring Freedom*. Its purpose is to identify PVO procurement best practices applicable to contingency contracting. Adapting PVO procurement methods to contingency contracting could improve performance, save funds, and mitigate risk.

After establishing the similarities between PVO missions and military stability operations, this thesis compares the policies and procedures applicable to contingency contracting with the procedures of two PVOs. It then explores the procurement operations of PVOs and outlines the best practices gleaned from these organizations applicable to contingency contracting within the Armed Forces. This study concludes with recommendations for implementation of PVO best practices. See Table I-1 below.

Chapter Outline	
A. Purpose	2. Subsidiary Research Questions
B. Background	E. Scope
C. Research Objective	F. Methodology – Case Study
D. Research Questions	G. Benefits of the Research
1. Primary Research Question	H. Organization of the Thesis

Table I-1

B. BACKGROUND – MILITARY AND PVO OPERATIONAL PARALLELS

The missions of humanitarian organizations and stability operations are similar and thus conducive to comparison. Over the last ten years, the military has performed an ever-increasing role in stability operations, supporting peace agreements, assisting displaced persons, and responding to natural disasters. As the Armed Forces perform operations other than war, it steps into a role that humanitarian organizations have been performing for decades. Beginning with Clara Barton's founding of the American Red Cross in 1881, and rapidly growing in number since World War II, United States-based PVOs have responded to innumerable armed conflicts and natural disasters across the globe.

No organizations have more similar missions to military stability operations than humanitarian organizations. PVOs perform the unusual job of voluntarily responding to world crises. The environment to which they and our Armed Forces typically respond is austere. Goods and services are scarce. The security threat may be high. The Rule of Law may not exist. Obtaining goods and services in these circumstances – known as an “immature contracting environment” – has similar challenges for both PVOs and military forces.

Additionally, private volunteer organizations operate with limited financial resources (donations) and as Internal Revenue Code Section 501(c)(3) charitable organizations, are subject to a level of scrutiny similar to the oversight given to Government expenditures. Reliant on donated cash, goods, and services to operate, negative press about a PVO's imprudent financial stewardship can cause donations to dwindle. Similarly, careless spending within the Government attracts negative attention and can result in reduced or restricted funding.

Given the emphasis on executing Government contracts as “prudent business-persons,” it seems that best practices valuable to the military could be learned from observing the PVO procurement business. Further, because of the similarities between humanitarian missions and stability operations, it is possible that humanitarian organizations have developed methods of procurement that

the Armed Forces could incorporate into its practices. By incorporating PVO procurement practices, contingency contracting officers may improve contract performance, lower costs, and reduce risk.

C. RESEARCH OBJECTIVE – DETERMINE PVO BEST PRACTICES APPLICABLE TO CONTINGENCY CONTRACTING

This research focuses on the procurement actions of selected PVOs to discover best practices applicable to contingency contracting in immature contracting environments and recommends means to successfully implement them. For the purpose of this study, a best practice is a process or method used by PVOs that produces positive results and is applicable to contingency contracting. Areas researched include the operational and financial practices of PVOs affecting their purchasing as well as their methods of procurement during humanitarian missions.

D. RESEARCH QUESTIONS

1. Primary Research Question

Comparing and contrasting the procurement methods of private volunteer organizations and contingency contracting operations when responding to remote regions in crisis can glean what best practices?

2. Subsidiary Research Questions

- What parallels exist between the missions PVOs perform and stability operations that lend credence to a comparison of their procurement systems?
- How are PVO procurement and contingency contracting similar/different in:
 - Degree of preparation prior to negotiation and execution of contracts?
 - Types of contracts used?
 - Policies, regulations, and standing operating procedures?
 - Organizational structure, reporting, warranting, and authority?

- Prices paid on similar contracts in the same region?
 - Methods for establishment of in-country operations?
 - Methods of contracting while sustaining operations?
- What best practices can the Armed Forces learn from PVO procurement, and how can these lessons be incorporated into contingency contracting policies and procedures?
 - What barriers exist that prevent implementation of best practices discovered, and how can these barriers be overcome?
 - What conclusions can be drawn and recommendations applied to contingency contracting during stability operations when compared with PVO procurement?

E. SCOPE

The scope of this thesis includes:

- A review of ongoing contingency contracting operations in Uzbekistan in support of Operation Enduring Freedom;
- An in-depth analysis of one PVO's procurement during a December 2001 medical airlift to Uzbekistan;
- A brief review of contingency contracting guidelines;
- A detailed discussion of the procurement operations of two PVOs;
- An assessment of best practices learned from PVOs applicable to the military contingency contracting;
- Recommendations for implementation of best practices learned.

F. METHODOLOGY – CASE STUDY

This thesis is not a post-operation analysis of reports and after action reviews. Rather, my research consists of a real-time case analysis of PVOs responding to the needs in Uzbekistan and the military contingency contracting officers that are supporting *Operation Enduring Freedom*. Because of information classification (information that *cannot* be released), operational security concerns (information that *should not* be released), and the sometimes chaotic nature of researching military operations in real time, there are inherent

weaknesses in the data. Nevertheless, the data presented are as complete and accurate as possible, and support useful conclusions. The PVOs chosen for study are Heart to Heart International and Samaritan's Purse. These PVOs were selected because

- They have responded to many of the same regional conflicts as the military, either prior to or concurrently with the military, including Haiti, Bosnia-Herzegovina, Croatia, Kosovo, Rwanda, and hurricanes Mitch and Andrew;
- They view cooperation with the military favorably;
- They depend upon donations to finance operations and emphasize fiscal responsibility.

The research includes a ten-day fact finding trip with Barbi Moore, Director of International Operations for Heart to Heart, during a December 2001 medical airlift to Uzbekistan, observing Heart to Heart's procurement practices in detail. This trip occurred as the Friendship Bridge linking Uzbekistan and Afghanistan was first reopened and PVOs were scrambling to establish the flow of humanitarian aid into Mazar i Sharif.

I conducted multiple in-person and telephone interviews using my research questions as a basis for discussion. I interviewed three military contingency contracting officers currently operating in key locations within Uzbekistan as well as one officer who has re-deployed from the region. Within Heart to Heart and Samaritan's Purse, I interviewed at length those persons managing the finances during field operations and the directors or assistant/deputy directors of international humanitarian operations. While in Uzbekistan, I frequently spoke with members of six additional PVOs operating continuously in country, Uzbek physicians, members of the U.S. Department of State, and the Republic of Uzbekistan Minister for Humanitarian Assistance. I also observed coordination meetings between Heart to Heart and U.S. Embassy representatives, Uzbek Government officials at the national and regional levels, and Uzbek and Afghan businessmen.

I visited hospitals in Samarqand and Tashkent and an orphanage for disabled children in Tashkent, reviewing Heart to Heart's means of assessing needs for future missions. Heart to Heart's Senior Vice President of International Operations incorporated me into the airlift, naming me as Heart to Heart's representative during the distribution by air of medical supplies to Urganch and Nukus. In this capacity I met with the regional health ministers and ensured successful transfer of the aid.

As part of my research I reviewed PVO written policies, PVO training practices, Federal, Department of Defense, and Army contingency contracting regulations, Department of Defense joint publications, and relevant literature – theses, position papers, and studies – on PVOs and contingency contracting.

G. BENEFITS OF THE RESEARCH

The contingency contracting community will benefit from a fresh perspective on the unique contingency contracting field provide by examining POV procurement. This research provides useful best practices for implementation, as well as increases the body of knowledge about humanitarian organizations within the military. This thesis supports Presidential Decision Directive 56, *Managing Complex Contingency Operations*, which requires cooperation and coordination between the military, civilian agencies, and NGOs/PVOs during large-scale humanitarian and stability operations.

H. ORGANIZATION OF THESIS

Following this introductory chapter, Chapter II establishes definitions of key terms used throughout the thesis and briefly reviews the policies and regulations applicable to contingency contracting. Included is a discussion of the role of humanitarian organizations in regional conflicts, the mission, structure, and operation of humanitarian organizations, and a brief background of the PVOs studied. The chapter draws parallels between the mission of humanitarian organizations and the military, and concludes with an overview of *Operation*

Enduring Freedom in Uzbekistan. Chapter III presents the training, policies, procedures, organization, and execution of contracting within the two studied humanitarian organizations, chronicles observations I made during the Heart to Heart medical airlift, and reviews the contracting procedures employed by the contingency contracting officers in Uzbekistan. Chapter IV identifies PVO best practices for implementation into contingency contracting, identifying barriers to implementation and potential means to overcome those barriers. With Chapter V, the thesis closes by offering my conclusions, recommendations, and areas for further research.

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II. BACKGROUND

By melding the capabilities of the military and the NGOs and PVOs you have developed a force multiplier.

Madeleine Albright
Former U.S. Ambassador to the United Nations

A. PURPOSE OF THIS CHAPTER

This chapter identifies key terms and concepts related to PVOs, doctrine and policy, and contingency contracting; highlights joint doctrine's support of interaction with PVOs; discusses the similarities between PVO operations and stability operations; and familiarizes the reader with the PVOs studied: Heart to Heart International and Samaritan's Purse. The chapter concludes with an unclassified overview of *Operation Enduring Freedom* (see Table II-1). After reading this chapter, the reader should agree that 1) similarities between PVO operations and stability operations establish a sound foundation for a comparison; 2) doctrine supports cooperation between the military and PVOs; and 3) Heart to Heart and Samaritan's Purse represent common organizations responding to humanitarian needs.

Chapter Outline	
A. Purpose	E. Section Summary
B. Key Terms and Concepts	F. Private Volunteer Organizations
1. Distinctions Between PVOs/NGOs	1. PVO Classification
2. Interagency Coordination: PDD 56	<i>a. PVO Missions Vary</i>
3. Stability Operations	<i>b. RAND NGO/PVO Classification</i>
4. Procurement	2. Fiscal Similarities Between PVOs and the Military
5. Contingency Contracting	3. Operational Similarities Between PVOs and the Military
<i>a. Contingency Contracting Regulations Support Interaction with PVOs</i>	4. Section Summary
<i>b. Contingency Contracting Inflates Prices, Hinders PVOs</i>	G. Heart to Heart International
C. Joint Doctrine Encourages Coordination with PVOs	H. Samaritan's Purse
D. Joint Doctrine Provides a Means for PVO Coordination	I. Operation Enduring Freedom
	J. Chapter Summary

Table II-1

B. KEY TERMS AND CONCEPTS

1. Distinctions Between Private Volunteer Organizations (PVOs) and Non-Governmental Organization (NGOs)

Although their missions are essentially the same, PVOs and NGOs do differ. Joint Publication 3-07, *Joint Doctrine for Military Operations Other Than War* (JP 3-07), defines PVOs as “nonprofit humanitarian assistance organizations involved in development and relief activities.” There are tens of thousands of PVOs with international operations and millions more focused on one region only. PVOs work with the United Nations (UN), but unlike NGOs are not formally recognized by the UN.

NGOs are “transnational organizations of private citizens that maintain a consultative status with the Economic and Social Council (ECOSOC) of the United Nations (UN).” [Ref. 1] To obtain NGO status, an applying organization must be at least two years old, democratically managed, primarily non-Government funded, and perform activities relevant to the work of the ECOSOC. There are currently 2091 NGOs registered with the ECOSOC [Ref. 2]. Believing the organizational requirements necessary to become NGOs may limit an organization’s decision making flexibility, I chose to research only PVOs.

Although the terms PVO and NGO are often used synonymously, throughout this document I use the strict definition of PVO in accordance with JP 3-07. However, I often quote material that makes no distinction, using only the term NGO.

2. Interagency Coordination: Presidential Decision Directive 56, “Managing Complex Contingency Operations,” (PDD 56)

PDD 56 directs Government agencies including the Department of State, National Security Council, and Department of Defense to develop interagency training on crisis response and create an interagency executive committee to better coordinate the U.S. response to foreign crises. A National Security Council white paper on the directive is located in Appendix B. PDD 56, issued by

President Clinton in May 1997 and reaffirmed by President Bush, [Ref. 3] defines a complex contingency operation as “peace operations such as the [Dayton] peace accord implementation ... the humanitarian intervention in northern Iraq called Operation Provide Comfort ... and foreign humanitarian assistance operations.” [Ref. 4]

PDD 56 notes that the military can quickly create the conditions necessary to resolve a conflict, but “many aspects of complex emergencies may not best be addressed through military measures.” It directs the military to coordinate its operations with civilian Governmental agencies (for example, the State Department) and international organizations (the UN, NGOs, and PVOs) during complex contingency operations. Integrated planning and coordination can “avoid delays, reduce pressure on the military to expand its involvement in unplanned ways, and create unity of effort ... essential for the success of the operation.” [Ref 4]

To date, little has been done within the federal agencies directed by PDD 56 to develop inter-agency coordination, training, and conduct contingency planning. A report prepared late in 1999 by AB Technologies for the Joint Exercise and Training Division of the Joint Staff noted that few of the dozens of agencies included in the directive were even “marginally addressing” PDD 56 training requirements. The National Security Council, proponent of the PDD and designated lead agency, has not stepped forward in a leadership role. AB Technologies found that there is no leadership, authority, accountability, training structure, training standards, or financial resources committed to implementing the Presidential directive. [Refs. 5, 6]

Although PDD 56 establishes a framework for greater coordination with PVOs,

[u]nfortunately, operations that have employed PDD 56 processes have not included NGOs or any outside international organizations in the U.S. interagency process, training, planning, rehearsing, decision-making, or crisis management [Ref. 7].

3. Stability Operations

Complex contingency operations, in the context of military doctrine, are categorized as stability operations. Army Field Manual 3-0, *Operations*, defines stability operations as those operations that

promote and protect U.S. national interests by influencing the threat, political, and information dimensions of the operational environment through peacetime developmental, cooperative activities and coercive actions in response to a crisis. [Ref. 8]

Stability operations, sometimes termed Military Operations other than War, include peacekeeping, peace enforcement, humanitarian and civic assistance, foreign internal defense (protection of a Government), counter-drug operations, show of force, and counter-terrorism (offensive operations designed to interdict terrorists). Stability operations frequently require applications of combat power. Commonly referred to as a 'War on Terrorism' or the 'War in Afghanistan,' *Operation Enduring Freedom* is in many ways a stability operation combining foreign internal defense, counter-terrorism, and humanitarian assistance.

4. Procurement

Although the term procurement is often used synonymously with acquisition, the two terms are distinct. Procurement, for the purpose of this thesis, is the process of evaluating, selecting, and purchasing *existing* supplies or services. Acquisition is a strategic planning, management, and procurement process. Acquisition encompasses the complete process from the identification of a need through research, design, production, fielding, and disposal.

Contingency contracting officers and humanitarian organizations are focused on procurement to satisfy mission requirements. Common procurement actions during stability operations include purchase of perishable rations and water, consumable supplies like paper products, and equipment including tents and generators. Services are also contracted for construction of temporary structures as well as support services like linguists, food service help, or communications support.

5. Contingency Contracting

Contingency contracting is the process used to obtain the essential supplies, services, and construction necessary to conduct and support a military operation “responsively, effectively, and legally”. Contingency contracting is a critical initial component of the overall process of providing logistics resources to the supported force. It bridges gaps that occur “before military logistics resources can be mobilized, and in some cases will be necessary for the duration of the contingency, humanitarian, or peacekeeping operation.” [Ref. 9]

Contingency contracting differs from traditional contracting in that several exceptions to the Federal Acquisition Regulation (FAR) are granted to expedite procurement of essential products and services. CPT William Robare, in his March 2000 thesis *Guidance for Contingency Contracting Officers Preparing for MOOTW*, provides an excellent summary of the regulatory and statutory requirements governing contingency contracting. As a summary of those requirements, Table II-2 lists allowable exceptions to FAR requirements [Ref. 9]. Note that urgent and compelling or emergency conditions do not permit a blanket waiver of FAR requirements. The Department of Defense and Agency Supplements to the FAR provide additional exceptions to agency requirements during contingency operations.

Contingency contracting officers receive formal training on basic contracting actions as mandated by the Defense Acquisition Improvement Act. Included in the training is one two-week course on contingency contracting. Non-Commissioned Officers’ typically receive only on-the-job training. [Ref. 11] In reviewing contingency contracting supporting stability operations throughout the 1990s, CPT Robare found that contingency contracting officers are generally inadequately trained. In garrison, contingency contracting officers “mostly focus on installation requirements. With inadequate time to train and plan for MOOTW, contingency contracting officers struggle with the shift in contracting environments ...” [Ref. 10]

FAR Reference	Subject	Exceptions Allowed
5.202(a)(12)	Synopsis	Does not apply overseas if subject to the Trade Agreements Act or North American Free Trade Agreement.
5.202(a)(3)	Synopsis	International agreement, treaty or organization specifies the source of supply. For contracts by written direction of foreign Governments reimbursing cost of acquisition.
5.202(a)(2)	Synopsis	Not applicable for purchases using simplified acquisition procedures, if unusual and compelling urgency exists.
5.202(a)(2).	Synopsis	Omitting synopses of proposed contract actions when it would delay award and injure the Government
6.001(a)	Competition Requirements	Does not apply to contracts awarded using the simplified acquisition procedures in FAR Part 13.
6.302-2	Competition Requirements	Permits limiting sources in solicitations when an urgent and compelling requirement precludes full & open competition
12.1	Commercial Items	Allows the acquisition of commercial items up to \$5 million
13.111(b)	Covenant Against Contingent Fees	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(c)	Restrictions on Subcontractor Sales to the Government	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(d)	Anti-kickback Procedures	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(e)	Audit and Records Negotiation	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(f)	Contract Work Hours and Safety Standards Act	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(g)	Drug Free Workplace Certification	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(h)	Estimate of Recovered Material	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
25.102(a)(1)	Buy American Act	Not applicable for items purchased outside U.S. and it's territories.
25.302(b)	International Balance of Payments Program	Acceptable to buy foreign at or below the simplified acquisition threshold.
25.501	Payment in Local Currency	Contracts executed outside the US with local foreign firms payable in local currency unless international agreement grants payment in U.S. dollars or contracting officer determines local currency to be inappropriate.
16.603; 15.402(f)	Unfinitized contracts	Permits oral solicitations, letter contracts and other forms of unfinitized contract actions to speed the start of work
33.104(b)(1)(i)	Protests	Requesting authority to award emergency requirements before resolving a protest against contract award
25.703(a); Supp. 28.102-1(a)	Restrictions on Certain Foreign Bonds	Authorized to buy items restricted under 25.702(a) in unusual situations for use outside U.S. Miller Act 40 U.S.C.270a-f, can be waived for overseas construction.
10USC 101(a)(13) & 2302(7)	Simplified Acquisition Threshold	For contracts awarded and performed or for purchases made outside the United States in support of a contingency, humanitarian, or peacekeeping operations, the simplified acquisition threshold is raised to \$200,000

Table II-2 Contingency Contracting FAR Exceptions After: REF [9]

**a. Contingency Contracting Regulations Support
Interaction with PVOs**

The Army's Contingency Contracting Manual lists PVOs as organizations that contingency contracting officers "may require interaction with" to support the force, but it does not elaborate on the nature or purpose of interaction with PVOs. The manual also notes that an understanding of local culture and business practices has a considerable impact on contracting. [Ref. 9]

b. Contingency Contracting Inflates Prices, Hinders PVOs

A study by the Center for Naval Analyses noted that contingency contracting can negatively impact humanitarian operations. Current contingency contracting procedures

often lead to a situation where prices for local resources are *artificially inflated* [emphasis mine] because various elements of the [military task force] and the relief organizations are bidding against each other for the same resource. This has the effect of pricing the NGOs/PVOs out of the market, unnecessarily increasing the cost of U.S. deployments, inhibiting relief efforts, and disrupting existing logistics systems already in place. [Ref. 12]

Price inflation remains after the military forces leave, according to the study, and continues to hinder NGO/PVO procurement.

C. JOINT DOCTRINE ENCOURAGES COORDINATION WITH PVOs

Joint Publication 3-08, Interagency Coordination During Joint Operations, Volume I (JP 3-08), notes that PVOs possess "considerable information that may be essential to the success of the military operation" that is not available through military channels [Ref. 13]. JP 3-08 lists six reasons why PVOs should be used as an information source for contingency operations. Specifically, PVOs understand:

- the needs of the population;
- local culture and practices;
- the broader historical perspective and can provide insights into the factors contributing to the situation at hand;

- the local political structure, political aims of various parties, and the roles of key leaders;
- the security threat, hotspots, and safe areas;
- the role and capabilities of the host-nation Government.

The Joint Warfighting Center produced the *Joint Task Force Commander's Handbook for Peace Operations* in 1995. Like PDD56, the *Handbook* encourages coordination with PVOs to achieve unity of effort. It advises logistics planners to consider not only their own transportation needs against supply route capacity, but also that of PVOs. For example, delays and bottlenecks could occur if a military convoy and PVO shipment of goods attempt to use the same supply routes simultaneously. The *Handbook* adds that PVOs may have an understanding of railheads, storage facilities, and local freight handling firms that could prove invaluable to newly arrived logistics planners. [Ref. 14]

D. JOINT DOCTRINE PROVIDES A MEANS FOR PVO COORDINATION

Civil-Military operations “establish and maintain positive relations” between U.S. forces, multinational and indigenous security forces, the host Government, and nongovernmental organizations. In some instances, the force may need to interact with civilian businesses in the operational area that have an influence on the local Government, economy, and people. [Ref. 15]

The primary means to achieve unity of effort and coordination with PVOs during stability operations is via a civil-military coordination cell. At higher levels of authority, a humanitarian assistance coordination center, humanitarian operations center, or both may also be established to improve inter-agency communications. At the task force level, the commander establishes a civil-military operations center (CMOC). Table II-3 lists the functions and composition of these coordination cells.

The CMOC is the conduit of information and coordination between the military force, United Nations, host nation Governments (local, regional, and/or

Comparison Between Humanitarian Operations Center, Humanitarian Coordination Center, and Civil-Military Operations Center				
	Establishing Authority	Function	Composition	Authority
HOC	Affected country, United Nations, or U.S. Government Agency	Coordinates overall relief strategy at the NATIONAL (Country) level.	Representatives from: affected country United Nations U.S. Embassy Joint Task Force, other non-military agencies concerned parties	Coordination
HACC	Combatant Command	Assists with inter-agency coordination and planning at the STRATEGIC level. Normally is disbanded once a HOC or CMOC is established.	Representatives from: Combatant command NGOs/PVOs International Organizations Regional Organizations	Coordination
CMOC	Joint Task Force*	Assists in coordination of activities at the OPERATIONAL level with military forces, U.S. Government Agencies, Non-Governmental, International, & Regional Organizations	Representatives from: Joint Task Force NGOs/PVOs Regional Organizations U.S. Government Agencies Local Host Nation Government Multinational Forces Other concerned parties	Coordination
HOC HACC CMOC	Humanitarian Operations Center Humanitarian Assistance Coordination Center Civil-Military Operations Center			*Commander at any level may establish

Table II-3 Coordination Cell Comparisons, After: REF[15]

national), NGOs, and PVOs. The CMOC typically is an administrative center led by the task force commander's senior civil affairs officer.

The CMOC is located within the secure perimeter of the task force, removed from sensitive areas, and close to an entry/exit point to easily admit visitors. When host nation officials wish to bring issues to the attention of the military force, when NGOs/PVOs seek threat information for a specific region, or when claims are made for damage caused by the military force, the CMOC is the common vehicle to communicate this information to the commander.

E. SECTION SUMMARY

Summarizing the previous sections, Presidential Decision Directive 56 requires inter-agency coordination during complex contingency operations, including Private Volunteer Organizations. Joint doctrine repeatedly discusses the value of including PVOs when planning logistics, collecting information, establishing Government contacts, and assessing threat. The Army contingency contracting manual alludes to PVOs as a resource when conducting contingency contracting operations. The following sections better define PVOs and the similarities with the military.

F. PRIVATE VOLUNTEER ORGANIZATIONS

1. PVO Classification

Non-governmental and private volunteer organizations spend between \$9 and \$10 billion assisting over 250 million people annually, more than any national or international Government. [Ref. 14] There are more than 26,000 NGOs/PVOs operating internationally, and several million more that provide services in only one country [Ref. 16]. These organizations vary by size, skill, mission, and degree of cooperation with the Government and military. Frequently, PVOs operate in remote, impoverished, and often war-torn areas long before the military arrives.

a. PVO Missions Vary

Most PVOs have a common mission: to improve the human condition. On this common foundation, however, are built incredibly varied structures. There are many ways to group PVOs by mission. Some focus on meeting physical needs, others on education and training, socio-economic development, or political change. Some are problem or issue-oriented, focusing on refugees, for instance, while others are focused on promoting an ideology, like environmental awareness. PVOs are sometimes formed to respond to specific countries or for a particular crisis. PVOs can also be divided by whether they provide immediate response to a crisis or long-term assistance.

PVOs fall into three basic mission categories: broad spectrum, specialized, and advocacy. Broad spectrum PVOs provide humanitarian relief and assistance through a wide range of services, providing food, shelter, clothing, economic assistance, education and training, etc., based on need. Specialized PVOs focus on one task – infant immunizations, for example. Advocacy groups promote issue awareness and encourage change through lobbying and education, but provide little material assistance.

Much like the military during stability operations, they must have permission from the host nation to officially operate in most countries. A host nation agreement is signed, similar to agreements with military forces, identifying both PVO and host nation responsibilities.

b. RAND Corporation's NGO/PVO Classification

Organizational complexity is varied. Many large PVOs are staffed with full-time salaried employees and have clearly defined structure, policies, and procedures. Volunteers run other PVOs informally, but not necessarily haphazardly. A study by RAND, Inc. categorized PVOs and NGOs using two criteria: mission category and military cooperation. Table II-4 presents RAND's classification system. Note the only difference between Core-Team and Core-Individual is willingness to cooperate with the military. [Ref 17]

RAND Category	Characteristics
Core-Team	Highly competent, broadly capable, and predisposed to cooperate with the military
Core-Individual	Highly competent, broadly capable, but less eager to cooperate with the military
Specialized	Highly competent and capable in select functional areas
Advocacy	Dedicated to promoting human rights but not normally providers of material assistance
Minor	Competent but having less capability than Core organizations

Table II-4 RAND Corporation NGO/PVO Classification System

Coordination between the military and the relief community is often difficult. RAND found that many humanitarian organizations keep their distance from the Armed Forces. RAND offered the following reasons [REF 17]:

- Differing Mission Duration. PVOs frequently operate in the area long before the military arrives and remain long after it redeploys. They often see the military as an expensive, flashy, and sometimes-disruptive interloper that will accomplish a few well-publicized tasks and depart suddenly. NGOs find the military's need for an exit strategy distasteful, believing only a long term commitment can solve social problems.
- Contrasting Organizational Culture. NGOs typically use decentralized decision-making and may scorn the military chain of command. NGOs may believe that the use of force will not bring about any lasting improvement. They are critical of the military's practice of classifying information, especially information that is readily available.
- Desire to maintain neutrality and impartiality. Many NGOs provide assistance based on need without choosing sides in a conflict. An NGO's reputation for neutrality and impartiality may be its best protection. To move freely in an area of conflict and provide assistance to all victims, combatants must believe that NGOs will not assist any side preferentially. NGOs will avoid a relationship with the military if it may compromise their reputation of neutrality.
- Ignorance. Military and NGO personnel often do not understand each other's organizations and procedures. Most military officers have a limited knowledge of NGOs and do not distinguish major organizations from minor ones. NGOs may have unrealistic expectations of what the military can provide. NGOs may also doubt the U.S. Government's willingness to commit its military to humanitarian missions. Many NGOs, believing that the United States approaches humanitarian relief in an ad hoc manner, hesitate to devote resources to improving ties to the military because the military may withdraw abruptly during a crisis or not help at all.

2. Fiscal Similarities Between PVOs and the Military

Both PVOs and military organizations have financial commonalities not found in businesses. The military and PVOs alike do not generate profits, are financed primarily by external sources, are typically under resourced, and therefore must make frequent funding tradeoffs. The level of external scrutiny over expenditures is another common thread. Businesses share a common goal:

profit. The public sector does not seek profit, nor do non-profit organizations. The measure of fiscal success for the military, like PVOs, is to expend funds efficiently, effectively, and responsibly to accomplish the mission.

Unlike for-profit firms, PVOs are Internal Revenue Code section 501(c)(3) tax-exempt organizations. Their accounts are open to public review, and expense ratios are reported in the media. Questionable PVO expenditures – like excessive executive salaries – receive criticism from the media similar to careless military purchases. Financial blunders attract the attention of Congress for the military and the attention of donors for the PVO. Bad press can dry up donations for PVOs and cause Congressional or Agency spending constraints and program cutbacks for the military.

3. Operational Similarities Between PVOs and the Military: Humanitarian Operations vs. Stability Operations

Like a military advance party arriving in country early to prepare for the main body's arrival, better-organized PVOs have disaster assistance response teams (DARTs) on call to respond to crises. These teams are frequently on the ground long before the military. On arrival to a region in crisis, PVOs rapidly tie into the local humanitarian network. Some type of religious, educational, cultural exchange, or economic development PVOs are typically operating in country before disaster strikes, becoming strategic links to incoming PVOs.

To demonstrate the similarities between humanitarian and stability operations, consider this fictitious scenario:

The director of a PVO receives a midnight phone call; there has been an earthquake in the Aral Sea region of Central Asia, a remote desert area with minimal resources. The director places calls to his key staff setting an early morning meeting the next day. By seven A.M., the PVO staff is assembled. One staffer gives a breakdown of the situation at the Aral Sea: a small city of 60,000 has been leveled ... the hospital collapsed ... there are no reports from villages in the region. Another staff member reviews the supplies in the warehouse; blankets, plastic for shelters, and foodstuffs are well-stocked but medical supplies are low and some

of the medicines are expired – the donor gave them to obtain the tax benefit shortly before they became useless.

The equipment for the operations center is loaded in two shipping containers and a draft inventory is passed across the table. The director asks about personnel. The personnel manager notes that the DART team is ready but short a physician; a request for a volunteer will be emailed to supporters following the meeting. The finance manager reminds the staff that there are only enough funds to cover a fifteen-person team for 45 days or ten people for 60 days.

The director gives his guidance:

- Deploy the DART within 36 hours;
- Build a fifteen-person team ready to deploy in 96 hours;
- Arrange for shipping of the operations equipment and available supplies immediately;
- Plan for a three-month operation in spite of funding shortfall and send out an urgent request for funds to all donors.

The director concludes with requests for additional details from all departments to be provided at a follow up meeting at 1:00 p.m. He wants updates three times daily until the team departs, twice daily thereafter.

Similar scenarios play out in PVOs at the onset of innumerable crises.

Moreover, this same process takes place at military headquarters as a mission is handed down. One could readily replace the title ‘director’ with ‘commander.’

The role of the military commander and his staff is much the same.

The parallels between a PVO’s response to a humanitarian crisis and a commander’s response to a contingency operation do not end with the initial action. The essential tasks of a deploying force in stability operations are much the same as a PVO’s. Both military and humanitarian organizations:

- Utilize available personnel, equipment, and supplies to accomplish missions rather than produce products;
- Respond to remote locations with minimal logistical support and rapidly stage to conduct operations;
- Execute short-notice or no-notice operations;

- Respond to unknown regions with minimal time for planning;
- Frequently support the same people groups;
- Use the same infrastructure in a crisis region;
- Place themselves at risk to accomplish the mission.

Commander Edward Martin, Jr., in a Naval War College paper, commented that although at first glance military officers and PVO personnel seem very different and that the cultures are “completely misaligned,” a closer look

reveals that the two worlds are not that far apart. Members of both groups value service, dedication, and self sacrifice. In many operations, they have the same objectives: to restore stability to a region and return the populace to a pre-existing peace. The roads to those objectives may vary, but the destination is the same. Educating military officers and NGO/PVO leadership to this will pay huge dividends. [Ref. 18]

4. Section Summary

PVOs are varied in structure and mission, but operate in the same environments, under similar scrutiny, with similar finances, and often at the same time as U.S. military forces. PVOs often choose the same supply routes, coordinate with the same officials, and seek to assist the same people groups as the military. The obstacles PVO procurement personnel must overcome to successfully execute their mission are very similar to the military’s contingency contracting officers, and hence PVOs are worthy of comparison.

Having established the similarities between humanitarian organizations, their missions, the military, and stability operations, this chapter now turns to review the studied organizations in greater detail. Applying RAND’s classification, the chapter reviews Heart to Heart – a small, specialized PVO – and Samaritan’s Purse – a large, core-team organization. The chapter concludes with an overview of *Operation Enduring Freedom*.

G. HEART TO HEART, INTERNATIONAL

Heart to Heart International is a relief and development organization dedicated to encouraging volunteerism and mobilizing resources to provide humanitarian assistance throughout the world. When characterized by RAND's NGO/PVO classification system, Heart to Heart is a specialized organization, focusing on short-term infusions of medical and food aid. Heart to Heart's vision is fourfold:

- Health: distribution of donated medical and pharmaceutical supplies as well as education and training;
- Hunger: distribution of donated foodstuffs;
- Hope: rapid mobilization of aid to victims of natural disasters and human tragedies;
- Hands-on: developing a worldwide network of volunteers. [Ref. 19]

Established in 1992, Heart to Heart has delivered more than \$210 million dollars in aid to more than 50 countries. Resources are carefully managed. Donors contribute over \$1.5 million annually, of which Heart to Heart consumes only 2.4% for operating expenses. The PVO leverages every donated dollar into \$25 worth of medicines and supplies by using funds to solicit, process, and ship donations of goods and services from corporate donors including Aventis Pharmaceuticals, Wyeth-Ayerst Laboratories, Federal Express, Eli Lilly & Company, Johnson & Johnson, and numerous Farm Bureaus. [Ref. 19]

Heart to Heart emphasizes high-impact, short duration, missions via airlift or sealift. It frequently assists regions in crisis at the same time or *before* the U.S. military responds, including Hurricane Andrew, Florida (1992), Bosnia-Herzegovina and Croatia (1993, 1995), Somalia (1994), Hurricane Mitch, Honduras, (1998), Kosovo (1999), and Uzbekistan (1997, 1998, 1999, 2001). [Ref. 20]

In December 2001, Heart to Heart delivered \$2.3 million (wholesale value) worth of medical aid to three regions of Uzbekistan – Urganch, Nukus, and Andijon – and conducted assessments to prepare for a major airlift of

pharmaceuticals and physician-trainers for Summer 2002 in the Samarqand-Karshi region (see Figure II-1) [Ref 21]. Heart to Heart is also establishing contacts in Mazar i Sharif, Afghanistan to deliver food and medicine. [Ref. 22].



Figure II-1 Uzbekistan After: [Ref. 23]

Heart to Heart maintains permanent staff in the U.S. and China only. Most relief missions begin by sending an advance party to assess the need, then assembling a relief package tailored to the region. The assessment team exploits established contacts in country to leverage their operation. Contacts in country – other PVOs with permanent offices, host nation officials, the U.S. State Department, and private U.S. citizens working abroad – provide essential information and assistance, including communications support, documentation processing, customs, freight-forwarding, livery, storage, distribution, and monitoring. [Ref. 22]

H. SAMARITAN'S PURSE

Samaritan's Purse is a nondenominational evangelical Christian organization providing aid to suffering people around the world. Samaritan's Purse is committed to both short and long term operations. With an annual

operating budget over \$100 million (ten times larger than Heart to Heart), Samaritan's Purse is best categorized by RAND's PVO classification system as a core-team organization.

Founded in 1970, Samaritan's Purse has helped the victims of war, poverty, natural disasters, disease, and famine by providing more than \$113 million in aid in 2000 alone to 115 nations including Serbia, Kosovo, Haiti, and Tajikistan. Samaritan's Purse has deployed 286 doctors on short-term medical missions to 21 countries. In December 2001, Samaritan's Purse delivered 34,702 shoeboxes filled with donated Christmas gifts for Uzbek children. This PVO receives, on average, 40% cash donations and 60% donated goods and services, and operates with a nine percent annual expense ratio. [Ref. 24]

Emergency response efforts at Samaritan's Purse are structured around a Projects Department. Within the 40-person department are Regional Directors who supervise multiple projects in a continental region. Don Norrington, Assistant Director of Projects for Samaritan's Purse, explains that once a crisis is identified, his PVO sends in a small survey team of two or three staff members to determine the needs. This team usually includes a physician and an administrator. If the survey team determines Samaritan's Purse should establish a short term project, the administrator often becomes the country coordinator. A full-time coordinator deploys from the U.S. for long-term projects. The coordinator manages all aspects of Samaritan's Purse's response. [Ref. 25]

I. OPERATION ENDURING FREEDOM – UZBEKISTAN

The mission statement for *Operation Enduring Freedom* has not been released. However, on 8 November 2001, President Bush addressed the nation, saying,

I have called our military into action to hunt down the members of the al Qaeda organization who murdered innocent Americans. ... Our military is pursuing its mission. We are destroying training camps, disrupting communications, and dismantling air defenses. We are now bombing Taliban front lines. We are deliberately and systematically hunting down these murderers, and

we will bring them to justice. ... We care for the innocent people of Afghanistan, so we continue to provide humanitarian aid, even while their Government tries to steal the food we send. ... We are at the beginning of our efforts in Afghanistan, and Afghanistan is only the beginning of our efforts in the world. No group or nation should mistake Americans' intentions: Where [a] terrorist group exists of global reach, the United States and our friends and allies will seek it out and we will destroy it. [Ref. 26]

The U.S. has forces operating in Karshi-Khanabad, Uzbekistan, supporting the President's goals of destroying al Qaeda, disrupting communications, meeting humanitarian needs, and capturing the terrorists responsible for the World Trade Center and Pentagon attacks. Details about *Operation Enduring Freedom* remain classified. General Tommy Franks,



Figure II- 2 Likely Troop Concentrations, After: [Ref 28]

Commander-in-Chief of the U.S. Army Central Command, during a 21 November 2001 press conference in Tashkent, Uzbekistan, was questioned by Information Agency Turkistan Press about the number of American soldiers at the Karshi-Khanabad Air Base near Termez, Uzbekistan. General Franks replied,

With respect to soldiers in Karshi-Khanabad, I will not tell you the number. I will tell you the purpose of those forces is to provide for combat search and rescue. That has been acknowledged and freely permitted by the Government of Uzbekistan. It is also to set conditions for speeding humanitarian assistance to the people inside Afghanistan, and the security forces that are appropriate to provide force protection. [Ref. 27]

Jane's Intelligence Review characterizes Uzbekistan as the "key northern staging point for U.S. and allied forces committed to possible military action in Afghanistan." *Jane's* estimates between 1500 and 2000 U.S. troops primarily from the 10th Mountain Division, but also U.S. Air Force and Army Special Forces, arrived in Uzbekistan 6 October 2001 and are based in Karshi-Khanabad at a Soviet-era air base conducting information operations, medical support, and special operations. [Ref. 29] Casualties occurring in Afghanistan are sometimes evacuated through Karshi en route to Europe. [Ref. 30] In Termez, *Jane's* reports that the 10th Mountain Division has a reinforced battalion of light infantry at Camp Stronghold Freedom, presumably to monitor traffic to and from Afghanistan across the Friendship Bridge [Refs. 31, 55].

Supporting U.S. forces in Uzbekistan is a small group of contingency contracting officers. Detailed from various commands throughout the world, these contingency contracting officers – mostly O-4 Majors – are operating in multiple locations in Uzbekistan purchasing supplies and services. Details of interviews conducted with these contingency contracting officers follow in Chapter III.

J. CHAPTER SUMMARY

Presidential, defense, and defense contracting literature support communication and cooperation with private volunteer organizations. Presidential Decision Directive 56 requires inter-agency coordination during complex contingency operations, including Private Volunteer Organizations. Joint doctrine repeatedly discusses the value of including PVOs when planning logistics, collecting information, establishing Government contacts, and

assessing threat. The Army contingency contracting manual alludes to PVOs as a resource when conducting contingency contracting operations.

PVOs are varied in structure and mission, but operate in the same environments, under similar scrutiny, with similar finances, and often at the same time as U.S. military forces. PVOs delivering aid often choose the same supply routes, coordinate with the same officials, and seek to assist the same people groups as the military. The obstacles PVO procurement personnel must overcome to successfully execute their mission are very similar to the military's contingency contracting officers, and hence PVOs are worthy of comparison.

The PVOs discussed in this thesis are conducting operations in Uzbekistan concurrently with the U.S. military. Their procurement training, policies, and procedures are discussed in the next chapter.

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III. DATA

[W]e have learned that military forces can quickly affect the dynamics of the situation and may create the conditions necessary to make significant progress in mitigating or resolving underlying conflict or dispute. However, we have also learned that many aspects of complex emergencies may not be best addressed through military measures.

Presidential Decision Directive 56
May 1997

A. PURPOSE

This chapter presents data on contingency contracting operations in Uzbekistan, as well as data from Heart to Heart and Samaritan's Purse. The chapter presents information on each organization's structure, training, and funding (see Table III-1). This is followed by a discussion of each organization's

Chapter Outline	
A. Purpose B. Data Gathering Methods C. Contingency Contracting in Uzbekistan <ol style="list-style-type: none"> Structure Training Contingency Contracting Officers Funding Stability Operations Executing Contingency Contracting Operations <ol style="list-style-type: none"> Field Procurement Purchase Price Variations Limited Market Information Networking with Organizations in Uzbekistan D. Samaritan's Purse <ol style="list-style-type: none"> Structure Training – On the Job Funding <ol style="list-style-type: none"> Sources of Funds Fiscal Responsibility Field Operations <ol style="list-style-type: none"> Establishing a New Project Networking with other PVOs 	<ol style="list-style-type: none"> Military Cooperation Field Finances Field Procurement <ol style="list-style-type: none"> Operation Christmas Child, Uzbekistan E. Heart to Heart International <ol style="list-style-type: none"> Structure Training – On the Job Funding Field Operations <ol style="list-style-type: none"> Mission Selection and Approval Networking with Other PVOs – Initial Networking with other PVOs – In Country Military Cooperation Field Procurement December 2001 Airlift, Uzbekistan <ol style="list-style-type: none"> Airlift Coordination Additional Coordination Sub-Contractor Problems and Privity of Contract A Successful Airlift F. Chapter Summary

Table III-1

field procurement operations. A key element of this chapter is a discussion of each PVO's recent activity in Uzbekistan. After completing this chapter, the reader should understand how each humanitarian organization trains, funds, plans, and executes the procurement or procurement-related aspects of its operations in Uzbekistan.

B. DATA GATHERING METHODS

My research consists of real-time observations and data from Heart to Heart and Samaritan's Purse, as well as data from military contingency contracting officers who have supported or are currently supporting *Operation Enduring Freedom*. Because of information classification, operational security concerns, and the chaotic nature of real-time research, there are gaps in the data. Nevertheless, the data presented are as complete and accurate as possible, and support useful conclusions.

The data presented include detailed observations from a ten-day fact finding trip with Barbi Moore, Director of International Operations for Heart to Heart, during a December 2001 medical airlift to Uzbekistan. I visited hospitals and an orphanage in Samarqand and Tashkent, reviewing Heart to Heart's needs assessment methods. Moore incorporated me into the airlift, naming me as Heart to Heart's representative during the air shipment of medical supplies to Urganch and Nukus. In this capacity I met with the regional health ministers and ensured successful transfer of the aid.

I conducted multiple in-person and telephone interviews using my primary and secondary research questions as a basis for discussion. Interviews were informal with minimal structure, and were not anonymous. I took notes or made recordings, and then transcribed the interviews and submitted them to the interviewees via email to check their accuracy. I also interviewed three military contingency contracting officers currently operating in key locations within Uzbekistan as well as one officer who has re-deployed from the region. The

officers I interviewed were experienced Army Majors – three from Army Central Command and one from the Special Operations Command.

Within Heart to Heart and Samaritan's Purse, I interviewed those persons managing the finances during field operations and the directors or assistant/deputy directors of international humanitarian operations. Everyone interviewed had extensive time overseas. While in Uzbekistan, I spoke with members of six additional PVOs who permanently live in country, Uzbek physicians, members of the U.S. Department of State, and the Republic of Uzbekistan Minister for Humanitarian Assistance. I also observed coordination meetings between Heart to Heart and U.S. Embassy representatives, Uzbek Government officials at the national and regional levels, and Uzbek and Afghan businessmen.

As part of my research, I also reviewed the written policies and training practices of Heart to Heart and Samaritan's Purse; Federal, Department of Defense, and Army contingency contracting regulations; Department of Defense joint publications; and relevant literature – theses, position papers, and studies – on civil-military operations and contingency contracting.

Finally, I presented a draft of this chapter to the representatives of Heart to Heart, Samaritan's Purse, and contingency contracting officers interviewed, giving them the opportunity to verify the facts presented. Minor changes were offered by them and incorporated into the chapter.

C. CONTINGENCY CONTRACTING IN UZBEKISTAN, *OPERATION ENDURING FREEDOM*

1. Structure

Supporting U.S. forces in Uzbekistan is a small group of contingency contracting officers. Because *Operation Enduring Freedom* is an ongoing operation, specific information about the contingency contracting officers is omitted. Typically Majors, the contingency contracting officers are detailed from various commands and services throughout the world. They support multiple

locations in Uzbekistan – troop concentrations and population centers – purchasing supplies and contracting for services. The contingency contracting officers are attached to the top echelon of command, as applicable, in their region. All contingency contracting activities are conducted in accordance with Federal, Department of Defense, and Department of the Army Acquisition Regulations.

2. Training Contingency Contracting Officers

The contingency contracting officers interviewed for this thesis are all fully certified and warranted to execute contingency contracting operations. In addition to training in contracting according to the Defense Workforce Improvement Act, including a two-week course on contingency contracting, the contracting officers interviewed have prior contingency contracting experience in other regions and deployments.

3. Funding a Stability Operation

In accordance with Federal and Defense Acquisition Regulations, contingency contracting officers cannot obligate funds until a funds certification officer certifies purchase requests. Contracting officers are prohibited from purchasing or contracting without sufficient funds. The funds certification officer must verify the availability of appropriate funds or will certify bulk funding for multiple purchases. The bulk funding procedure gives the contingency contracting officer authorization from the certifying officer to obligate funds on purchase documents against a specified lump-sum reserved for that purpose over a specified period of time. Rather than obtaining individual obligation authority on each purchase document, funds are pre-committed. [Ref. 9] Bulk funds are being used in Uzbekistan for *Operation Enduring Freedom*, but at the time of authorship funding totals remain classified.

4. Executing Contingency Contracting Operations

a. Field Procurement

Perishable foods are shipped into Uzbekistan from bases in the Republic of Turkey. In-country purchases focus on consumable supplies, water, tents, generators, and unique equipment for the deployed forces. More than 100 Uzbeks under contract perform on-base services including portable latrine cleaning, food preparation, laundry service, trash removal, and linguist support. Additionally, small construction services such as construction of temporary buildings, more than 4000 truckloads of gravel, and labor to fill sandbags are contracted for. Future construction contracts for a basketball courts and athletic facilities are in negotiation. As of March 2002, approximately 500 contracts and 700 Purchase Requests have been written obligating several million dollars. Civilian contractors will take over many services in the near future. Very little procurement has been made using undefinitized (informal, incomplete) agreements. [Ref. 32, 55]

The host nation initially provided a bidders list, which the contingency contracting officers have expanded through their own market research. By mid-March 2002, the contingency contracting office had established a bid board to publicize needs; prior to this, word of mouth and bidder's lists were primary means of publicizing needs. The contingency contracting officers have not used the Civil-Military Operations Center (CMOC) as a conduit to the local nationals unless a problem with an individual occurs. Problems are rare.

b. Purchase Price Variations

Different contingency contracting officers reported different observations on price changes. One contingency contracting officer noticed a drop in prices paid over his four months in Uzbekistan. He attributed this drop to an improved ability to negotiate after developing a better understanding of the market and local cultural negotiating methods. Another contingency contracting

officer noticed a small decrease in construction contract prices due to increased competition between host nation contractors. [Ref. 32]

c. Limited Market Information

The contingency contracting officers interviewed indicated a desire for more market information during the initial stages of deployment. One officer noted that better information on the local vendor base and the capabilities of various construction contractors would have resulted in better contingency contracting early on. Contractors initially hired from the bidder's list provided by the host nation had difficulty performing the services contracted for. They were unaware of U.S. standards of quality, performance, and lacked the skills needed to execute the terms of the contract. They required close supervision and training by the Contracting Officer's Representative to produce satisfactory results. A contingency contracting officer noted, "Contingency contracting officers need to realize that there will be growing pains. We must be flexible and try to adhere to U.S. standards as much as possible." [Ref. 32]

Market research and trial and error has since shown which contractors can best perform specific services, and contracts are awarded with this knowledge as a factor in selection criteria. The bid board, market research, and word of mouth have increased the vendor base since the deployment began. The U.S. Embassy's purchasing officials frequently assisted with catalog purchases and identifying suppliers, but due to the unique purchasing requirements of a military force, sometimes these officials could not provide the market or vendor information needed to support the contingency contracting officers. [Ref. 32]

An example of the need for increased market research is demonstrated with the requirement for cellular phone service. Communication is essential to contingency contracting, and upon arrival, establishing cellular service was a top priority. There are several firms providing cellular service in Uzbekistan. Initially, cellular phones were purchased through Uzdrun-Rubita. The contingency contracting officers soon discovered that Unitel provided a wider

coverage area, and hence switched to this firm. Better market research could have identified this prior to solicitation and award. [Ref. 32]

5. Networking with Organizations in Uzbekistan

None of the contingency contracting officers have interacted with PVO procurement personnel during their five-month deployment. They are not, however, opposed to interaction and information exchanges with PVOs. One contingency contracting officer supporting PVO interaction said,

When we go in, we go in cold ... it's important to have someone who has walked the ground. It would be better to cooperate than compete [with humanitarian organizations]. [Ref. 32]

Another contingency contracting officer commented that although he would welcome interaction with PVOs, his experiences in Bosnia-Herzegovina led him to believe that many NGOs/PVOs avoid interaction with the military.

A third contingency contracting officer has interacted with procurement personnel from the media. He characterized media buyers as “not procurement savvy” and unconcerned about their expenditures. This contingency contracting officer said that journalists were paying \$125 per day for translators, while he was contracting translators for \$600 per month. Communication between the media buyers and the contingency contracting officer provided the media additional market information they could use to negotiate lower prices. [Ref. 32]

D. SAMARITAN'S PURSE

As mentioned earlier, Samaritan's Purse is a nondenominational, evangelical Christian private volunteer organization. In 2000, the PVO provided more than \$113 million in aid to 115 nations [Ref. 33]. This year, Samaritan's Purse has begun refurbishing schools and rebuilding the hospital in Kholm, northwestern Afghanistan. Samaritan's Purse also has a medical team in Afghanistan training nurses to work in the completed Kholm hospital as well as respond to the March 2002 earthquake in Nahrin. Samaritan's Purse's Afghan operations staged from Uzbekistan. [Ref. 33]

Another major mission of Samaritan's Purse is Operation Christmas Child. Operation Christmas Child manages the solicitation, collection, inspection, consolidation, and shipment of millions of shoeboxes filled with donated Christmas gifts for distribution to children in poverty. In December 2001, Samaritan's Purse delivered 34,702 shoeboxes for Uzbek children. [Ref. 33]

Samaritan's Purse is committed to both short and long term operations and would best be categorized by RAND PVO classification system as a Core-Team organization because of its large size, robust organizational structure, and willingness to cooperate with International Organizations and the military. As an example of its sound reputation, the UN gave Samaritan's Purse lead agency status in Kosovo to orchestrate the housing reconstruction activities of all NGOs/PVOs. Samaritan's Purse held meetings for all the NGOs in the region, coordinating home reconstruction sites, ensuring NGOs responded to all the needs in country, parceling out regions for response, minimizing overlap, and managing allocation of resources. These coordination meetings were informal, with NGOs networking together to identify and respond to needs. [Ref. 34]

1. Structure

Samaritan's Purse's International Headquarters in Boone, North Carolina, is staffed with more than 300 personnel. Samaritan's Purse also maintains offices in Canada, the United Kingdom, the Netherlands, and Australia. Samaritan's Purse has six Vice Presidents who report to the President and Chief Executive Officer, Franklin Graham. The Vice President of Ministries oversees the operational arm of Samaritan's Purse (see Figure III-1). Under him are two distinct departments: Projects and Operation Christmas Child. The Projects department is further subdivided into regional directorships responsible for humanitarian operations within a geographic region of the world. Project Administrators, who manage all aspect of a project, report to the regional directors. Country coordinators execute long or short duration missions on the ground under the supervision of Project Administrators. The Operation Christmas Child staff coordinates airlifts independently from the Projects office, although country coordinators often assist. [Ref. 25]

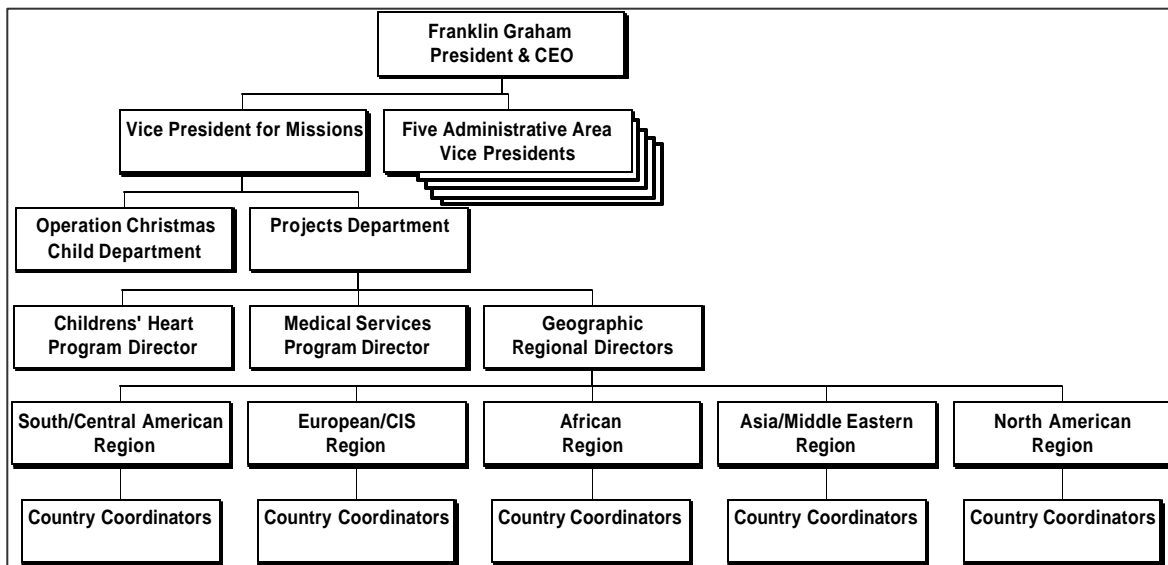


Figure III-1 Samaritan's Purse Organizational Framework

2. Training – On the Job

Samaritan's Purse has a detailed field policy manual in draft form. Intended as a guide for the country coordinator, it covers all aspects of field operations including procurement authority, ethics, and financial reporting without setting spending limits. In spite of its detail, it is not an impediment to the coordinator's ability to use funds as necessary to respond to the crisis. [Ref. 35]

Country coordinators are brought up "through the ranks." Members of relief missions gain experience and are given additional responsibility as they deploy on more and more missions. When a volunteer's skills demonstrate an ability to lead a project, volunteers are selected as coordinators. A coordinator is usually a part time member of Samaritan's Purse, paid during his or her service, which is typically about six months. coordinators are given authority over all aspects of the operation in country, including procurement. For short-term operations, the coordinator maintains, spends, and accounts for the funds independently. During long-term operations, coordinators retain this authority, but are augmented with bookkeepers to record and report expenditures. [Ref.35]

3. Funding

a. Sources of Funds

This PVO receives, on average, 40% cash donations and 60% donated goods and services [Ref 24]. Samaritan's Purse also competes for and receives grants from USAID for specific projects [Ref 34]. Administrative expenses consume about nine percent of donations annually [Ref 24]. Funding levels at the beginning of a new project are unknown; as public awareness of the crisis increases, however, contributions increase to fund the project. Donors have the opportunity to earmark contributions for general categories of support, such as children's projects, emergency disaster response, or Afghan relief. All donations are carefully classified by category, and are considered restricted funds. Funds restricted for a specific purpose are placed under the discretion of the coordinator of that operation. If more funds are donated to a project than are spent, Samaritan's Purse redirects these funds toward a similar project. [Ref. 35]

b. Fiscal Responsibility

The dependence on donations makes Samaritan's Purse very conscious of the importance of wisely spending every dollar, transparency of the finances, and feedback to the donors about how dollars were spent. Any perceived impropriety could hurt Samaritan's Purse's ability to obtain future donations and grants. Jacqueline Blevins, Field Accounting Manager for Samaritan's Purse, commented on the importance of sound financial accountability:

Samaritan's Purse policy is to use funds as the donor indicates. We are accountable to God first and then to the donor, whether individual or Government grant, etc. We have been diligent in establishing a reputation of credibility and accountability to use funds as requested and report the activity back to the donor. [Ref 34]

4. Field Operations

a. Establishing a New Project

Emergency Response efforts at Samaritan's Purse are coordinated through the Projects Department. Within the 40-person Projects Department are Project Administrators and Program Directors who supervise individual projects – a flood, famine, refugee problem, etc. Once a crisis is identified, Samaritan's Purse sends in a survey team of two or three staff members to determine the need, usually including a physician and an administrator. The team carries between \$10,000 – 20,000 in cash to pay for initial expenses (more for better developed countries).

Because only organizations registered with the host nation can open bank accounts, once on site the survey team attempts to partner with an existing organization operating in the region to use their bank account as a conduit for additional funds. If partnering occurs, Samaritan's Purse funds are deposited into the other PVO's account in the U.S. for transfer to their bank in the host nation. The PVO partner's representative in country withdraws Samaritan's Purse's funds from the account and passes them to the Samaritan's Purse coordinator. [Ref. 25]

If the survey team determines a project should be established, the team leader typically becomes the country coordinator until a permanent replacement is identified. [Ref. 25]

b. Networking with other PVOs

Networking is key to establishing new operation for Samaritan's Purse. Prior to departure the survey team contacts organizations (churches, NGOs, and other contacts) known to be operating in the area to gain situational information and establish assistance links. The survey team makes additional contacts as soon as they arrive in country. The team looks for like-minded organizations with similar goals. For short duration missions, the team tries to plug Samaritan's Purse into that organization's operations to funnel relief through

them to accomplish Samaritan's Purse's goals; this can be via cash or goods. [Ref. 36]

Other PVOs/NGOs provide critical information to the survey team, including information on pricing and wages, sources of supply, and sources of services. These organizations also supply information about locales needing help, PVO/NGO coverage, and security threats. As noted earlier, PVO field procurement personnel consult with other organizations before choosing suppliers, receiving recommendations on price, quality, and trust. Where possible, two or three suppliers recommended by other organizations are consulted for pricing information prior to purchase. Samaritan's Purse sometimes finds itself in competition with other NGOs for resources in country. Competition is resolved through networking with competing organizations to improve resource allocation. Samaritan's Purse will sometimes partially fund the competitor's program to gain access to the resource. [Ref. 34]

c. *Military Cooperation*

Samaritan's Purse supports military cooperation. Mr. Gary Lundstrom, Deputy Director of Operation Christmas Child, believes close cooperation with the U.S. military can improve airlift execution. He worked with the North Atlantic Treaty Organization's force in Kosovo, (KFOR) to deliver more than 400,000 gift boxes to Kosovar children and cited it as an example of cooperation.

Lundstrom coordinated with the military for use of airspace, landed at the KFOR airbase in Skopje, and planned for offload assistance by KFOR. The airlift was nearly cancelled by the military one day prior to execution because KFOR was in a deployment phase and did not want to delay the inflow of soldiers into the region. The threat of negative press kept the airlift on schedule. Samaritan's Purse landed, offloaded, and departed the aircraft in four hours to keep from interfering with the deployment schedule. Key to this success was a local national Macedonian working for Samaritan's Purse who knew of local firms

with trucks and forklifts to support offload and transport. Lundstrom coordinated offload and transport in less than 24 hours. [Ref. 37]

Lundstrom believes North American-based NGOs are generally much more receptive to cooperating with the military than International NGOs. He agrees with RAND's report on NGOs and PVOs, commenting that international NGOs believe there is a stigma that accompanies an association with the U.S. military. In a January 2002 international NGO/PVO meeting in Kholm, Afghanistan, Lundstrom was pressured to leave because he appeared to be U.S. military. Participants, while looking directly at him, stated that representatives from the military were not wanted in the meeting. After the meeting ended, other attendees approached Lundstrom to ascertain for whom he worked and whether he had military connections, believing he was only pretending to represent a PVO. [Ref. 37]

Confirming the Center for Naval Analyses study, Lundstrom believes when the military enters an area, PVOs experience price hikes because contingency contracting officers are unaware of market prices in the region. Specifically, he has observed that the price for renting a car, or the wages of translators and drivers goes up 10 to 25 percent on average when the military enters the area. He feels this would not happen as often if military contingency contracting officers exchanged information on pricing with NGO buyers. [Ref. 37]

Mr. Lundstrom's observations were echoed by Thomas Hoggard III, a physician volunteering through the PVO Northwest Medical. A veteran PVO physician of Desert Storm and Somalia, now serving in Mazar i Shariff, Afghanistan, Dr. Hoggard also believes international organizations are biased against the U.S. military, that American PVOs are generally more favorable toward the military, and that resource competition between the armed forces and NGOs/PVOs occurs in complex contingency operations, inflating prices. [Ref. 38]

d. *Field Finances*

When a long-term operation is established, Samaritan's Purse will register with the host nation and open a bank account. In rare cases, the economic and financial situation prohibits setting up a bank account in country, and cash must be wired to a neighboring country and “ferried” in. A bookkeeper is hired, typically a local national or more likely an ex-pat (U.S. or Canadian citizen living abroad), who is trained in Samaritan's Purse’s accounting procedures by an accountant dispatched from the Headquarters in Boone, North Carolina. The country coordinator carefully manages funds with the assistance of the bookkeeper. The bookkeeper tracks expenditures, reports fund consumption almost daily, and formally submits detailed expenditure reports monthly to the accounting staff in Boone. Funds are transferred into the country coordinator’s operating account periodically – usually on a weekly basis – but always with a focus on planned financial needs for the coming weeks. [Ref. 35]

e. *Field Procurement*

Initially, as much as 95% of all procurement is based on cash purchases and oral agreements, with the remainder being undefinitized agreements and purchase orders. Once field operations stabilize and an office is established, cash transactions and purchase orders become the key means of procuring goods and services (approximately 75%) with oral agreements dropping to 25%. Formal, written contracts are rarely entered into. Samaritan's Purse checks two to three local vendors recommended by other NGOs before making purchases. [Ref. 34]

Even during long-term projects, formal contracts are infrequent. Most needs are procured using purchase orders. In Kosovo and Albania, an Albanian contractor was hired for refugee camp construction. The contractor was hired via letter contract, agreeing to materials costs and labor costs he submitted, but without formal terms and conditions. The contractor – referred to Samaritan's Purse via another PVO – satisfied the requirements. [Ref.34]

The goods and services procured vary from project to project. For short duration projects, such as an Operation Christmas Child airlift, all that may be required is meals and lodging. More frequently, freight handling assets and linguist support are needed as well. For long-term missions, the needs are varied. Natural disasters and refugee crises need large quantities of consumable supplies like plastic for temporary shelters, basic medical supplies, food, and water. Other projects, like school or hospital construction or renovation, rely heavily on construction materials and equipment. [Ref. 35]

Field purchasing authority lies with the country coordinator. If the restricted funds are available, the coordinator believes the need is emergent, and the purchase is within very general guidelines established by the headquarters, the coordinator can make purchases without approval from Boone, North Carolina.

Purchasing guidelines set by Samaritan's Purse vary based on the mission and the experience level of the country coordinator. Major purchases that are not time sensitive – for example a March 2002 \$340,000 purchase of tractors for farmers in the Ukraine – are passed through Samaritan's Purse headquarters for approval. There is no standard limit for the amount coordinators can spend or the types of goods and services procured. Rather than manage field purchasing from the Headquarters, Samaritan's Purse prefers to manage its coordinators, placing personnel that are more experienced on larger projects that incur greater expenditures. Don Norrington, Assistant Director of Projects, likened the field operating environment to military leadership in combat:

When under hostile fire, the commander on the ground needs to make decisions now, without the approval of headquarters. Our staff operating in Afghanistan responded to the [25 March, 2002] earthquake within hours, acquiring supplies and transporting them to Nahrin. They received instructions from the Boone office to move into the Nahrin area, but they determined how to best respond to the needs once they were on site and did so without seeking specific approval. [Ref. 35]

5. **Operation Christmas Child's Airlift to Uzbekistan**

December 2001 was the third year that Samaritan's Purse sent Christmas gift boxes to Uzbekistan. Sixty-five thousand shoeboxes were shipped through Tashkent, Uzbekistan on an Antonov AN-124-100 – the world's largest cargo aircraft – contracted through a Russian firm, Volga-Dnepr Airlines. Thirty-four thousand shoeboxes were distributed to children in Uzbekistan. An additional thirty-one thousand were ground transported from Topoyich Airbase, Uzbekistan, through Tajikistan, and into Afghanistan. [Ref. 37]

Samaritan's Purse worked through World Concern – a Canadian PVO registered with Uzbekistan – as their in-country airlift coordinator. Registered



Figure III- 1 Three Afghan boys among 65,000 children in Central Asia receiving gifts in DEC 2001. From: Samaritan's Purse Media File

PVO members receive identification cards from the Government. These credentials give PVOs quasi-diplomatic status, enabling PVOs to gain access to Government offices, move freely about the country without registering as tourists must do, and serve as an in-country identification that draws less attention than passports [Ref. 39].

Mr. Gary Lundstrom, Deputy Director of Operation Christmas Child, conducted much of Samaritan's Purse's coordination with the Uzbek Government. During negotiations, Government officials pressured Mr. Lundstrom to use Uzbekistan Airways (Uzbek Air) to ship the cargo. Uzbek Air is the Government-owned airline of Uzbekistan, with exclusive control of airports in country. Few flights from other airlines are permitted to land in Tashkent. Lundstrom explained that the contract with Volga-Dnepr had already been let and a breach of contract would be costly. Additionally, there was media attention in the U.S. about the donations, including media reports about World Trade Center victims' families and New York City firefighters collecting gifts for Afghan children.

Even though the Uzbek Government was pleasant, it was unyielding. The Antonov 124 took off from Kennedy Airport, New York, with no Uzbekistan air clearance or place to land. Only then did the Government agree to allow flight without use of the Government-run Airline. Mr. Lundstrom believes the Government was willing to do anything they could to convince Samaritan's Purse to use Uzbek Air that would not jeopardize the receipt of the aid. [Ref. 37]

E. HEART TO HEART INTERNATIONAL

Heart to Heart is a relief and development PVO dedicated to encouraging volunteerism and mobilizing resources to provide assistance worldwide. Since their first mission to Uzbekistan in 1997, Heart to Heart International has delivered more than \$14 million (wholesale value) of medical aid to Uzbek hospitals and clinics [Ref. 20]. Applying RAND's PVO classification system, Heart to Heart is a Specialized Organization, focusing on high-impact, short duration infusions of food and medical supplies via airlift or sealift, and medical training.

In December 2001, Heart to Heart delivered \$2.3 million of medical aid to three regions of Uzbekistan – Urganch, Nukus, and Andijon – and conducted assessments to prepare for a major airlift in mid-2002 of pharmaceuticals and physician-trainers in Samarqand and Karshi [Ref. 21].

1. Structure

Humanitarian operations at Heart to Heart are managed from two primary positions, the Vice President for International Programs and the Vice President for Domestic Programs. Both report to the Executive Vice President, John North. Resource coordination and support functions are handled through the administrative directors and coordinators, including the receipt of donated goods, warehousing, palletizing, and preparation for shipment. Heart to Heart maintains only one office outside the United States. Located in Beijing, the Asian office focuses primarily on medical training and assistance to China. Reporting to the International and Domestic Vice Presidents are seven project/development coordinators and three assistants responsible for planning and executing humanitarian missions.

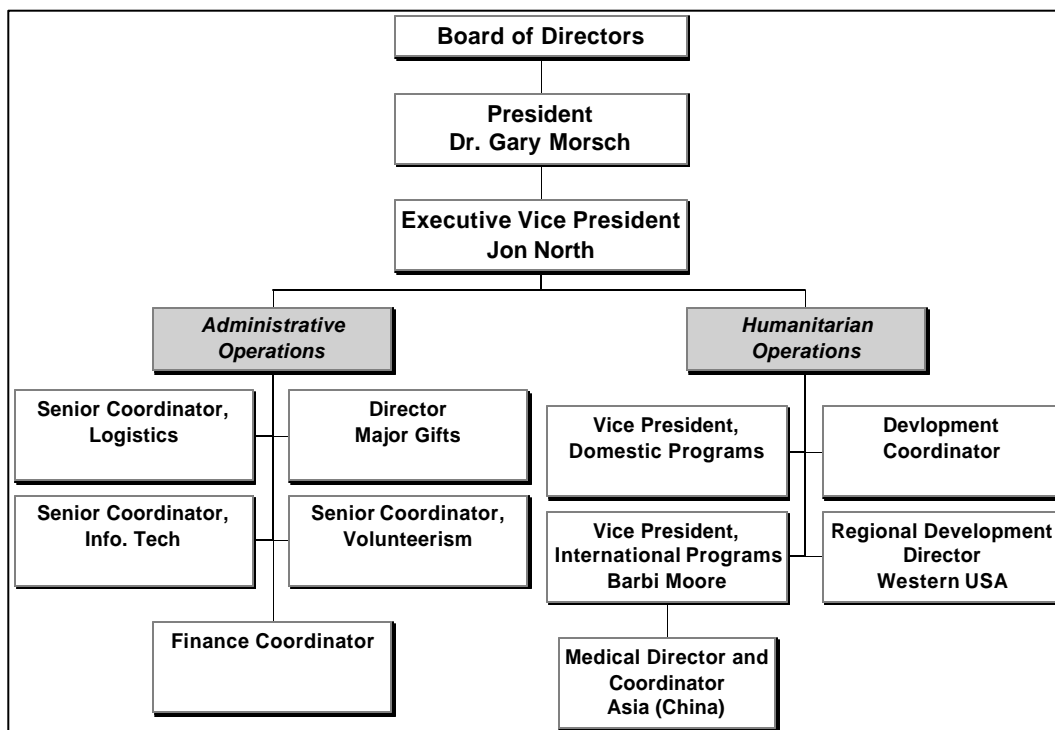


Figure III-3 Heart to Heart, International Organizational Structure

2. Training – On the Job

No written procedures exist at Heart to Heart to guide project managers' procurement during a mission. Mrs. Moore personally trains each project

manager by bringing them with her on missions and teaching them her methods – essentially an apprenticeship. Mrs. Moore gradually adds responsibilities to the apprentice project manager until she believes the person is trained well enough to handle smaller projects on his/her own. A project manager takes on larger projects as his/her skills improve.

Heart to Heart's International Programs office has a draft of its planning guidance that covers mission selection, approval, and airlift planning, and networking. No completion date is set for this document. A future goal of the International Programs office is to fully document the techniques and procedures of project management, airlift coordination, and airlift execution. [Ref. 22]

3. Funding

Since its inception in 1992, Heart to Heart has delivered more than \$210 million dollars in aid to more than 50 countries. Aid missions are financed through donations of money, goods, and services. Private and corporate donors contribute over \$1.5 million annually, of which Heart to Heart consumes only 2.4% for operating expenses. Corporations donate food, medical supplies, pharmaceuticals, and services. Federal Express Corporation, for example, has shipped cargo at no charge for numerous airlifts. Heart to Heart leverages every donated dollar into \$25 worth of medicines and supplies by using monetary donations to solicit, process, and ship donations of goods and services from corporate donors. [Ref. 19]

Heart to Heart International is also partnered with the United States Department of State (DoS). Heart to Heart receives grants from the State Department's Office of the Coordinator of U.S. Assistance to the Newly Independent States (S/NIS-C) to provide aid to the nations that broke away from the Soviet Union in the early 1990s. As part of this agreement, the DoS recommends areas needing assistance. If the need meets Heart to Heart's criteria, it will coordinate a mission to that region. The State Department's S/NIS - C contracts for aid shipment at no cost to the PVO. [Ref. 22]

4. Heart to Heart International Field Operations

a. Mission Selection and Approval

Heart to Heart International selects missions from requests submitted by the State Department, partner organizations such as the American Academy of Family Physicians, foreign countries, other PVOs, private individuals, and the Heart to Heart International Board and Staff members. Barbi Moore, Senior Vice President of international Programs, reviews each request and presents qualifying requests to the Executive Staff for approval. Requests are approved if:

- The request is in line with Heart to Heart International's mission;
- The resources are available or can be procured;
- The timeline for the project fits into the organization's scheduled commitments;
- The project meets a genuine need in the region;
- There is a responsible, verifiable means to distribute the aid [Ref. 40].

b. Networking with other PVOs - Initial

Once a project is approved, Mrs. Moore assigns a member of the International Programs staff to lead the project. This project manager is responsible for all aspects of the mission, including spending and accounting for the funds. On very large projects involving 50 – 70 physicians and support personnel, a separate staff member is sometimes selected to handle procurement, moving to new locations two or three days in advance of the medical team to arrange hotels, coordinate for meals, and arrange transportation. When assigned, the project manager immediately begins networking to obtain information and support, including:

- Conducting internet research to collect maps, health, economic, political, travel, customs, holidays, appropriate business practices, and consular data;
- Identifying established contacts in the region;
- Locating known U.S. citizens in the region;

- Locating NGOs/PVOs already operating in the region and assessing their focus/mission;
- Identifying U.S. donor firms operating in the region.

The initial networking goal is to determine the appropriate response to the need and prepare to “enter the country already generally familiar with the appropriate behavior, economic and political situation, needs, and the international community.” [Ref. 40] A key task of networking is to determine the people in the region that exercise the influence necessary to support the relief mission. Prior to departure to the region for an assessment, the project manager coordinates meetings with in-country contacts including foreign government officials like the Ministers of Health, Foreign Affairs, and Humanitarian Assistance, U.S. Government officials at the Embassy and U.S. Agency for International Development (USAID), locally operating PVOs, potential recipient institutions, and potential local coordinators. Local coordinators are volunteers in the region who assist with preparation, execution, and monitoring of aid. [Ref. 22]

c. Networking with other PVOs – In Country

After initial coordination, the project manager leads an assessment team to the location to fully evaluate the need, then requests a relief package tailored to the region. The assessment team uses established contacts in country to leverage its operation. In-country contacts established during networking provide essential information and assistance, including identification of critical needs, communications support, documentation processing, customs, freight forwarding and livery, storage, distribution, and monitoring. Where a supportive network exists, deployment of an assessment team from the U.S. may not be necessary: in-country contacts perform the initial assessment, conserving PVO funds and effort. In Uzbekistan, Heart to Heart International’s primary contact and local coordinator is Michael Timcke, of the Project on Economic Reforms in Central Asia (PERDCA). Timcke provides and arranges services for

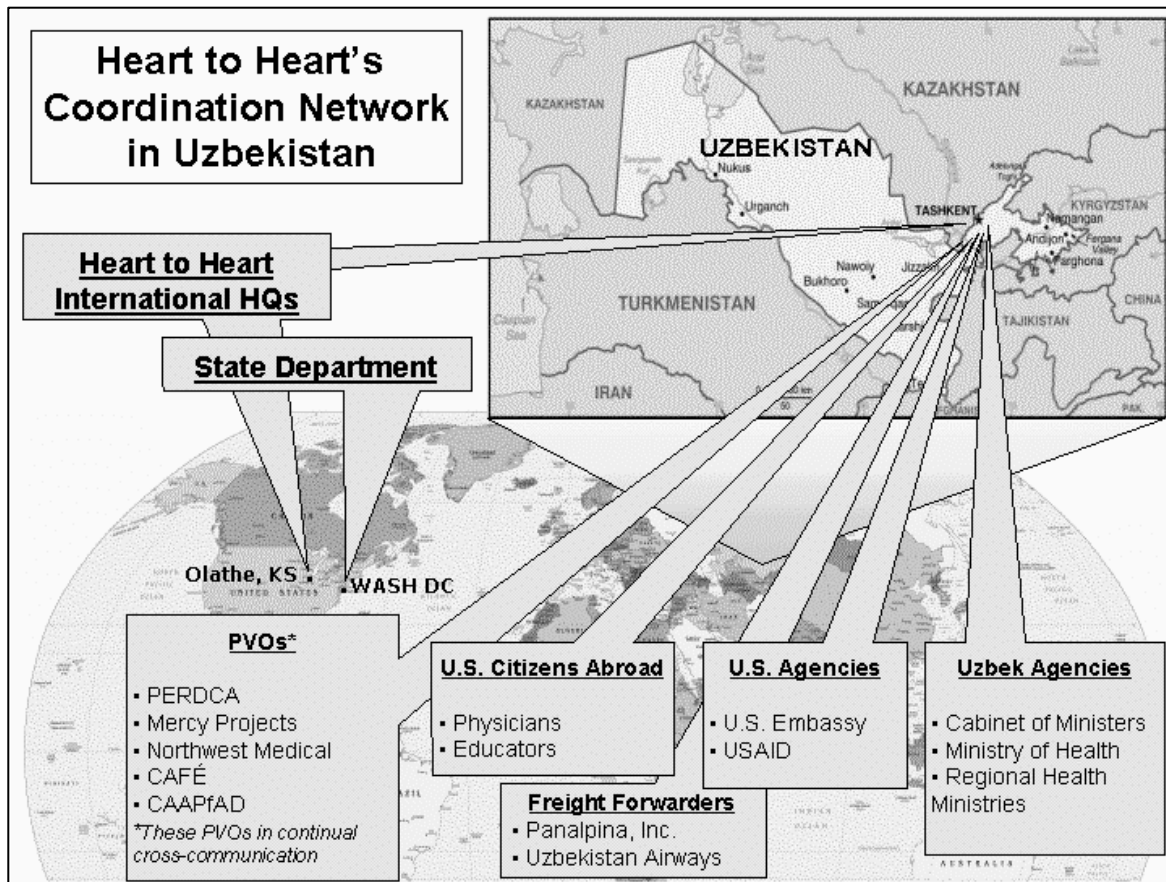


Figure III- 2 Heart to Heart's Coordination Network in Uzbekistan

Moore including customs document processing, transportation, currency exchange, minor purchases, and linguist support. Because of his fluency in both Russian and Uzbek languages, and his years of experience in Uzbekistan, Mrs. Moore makes no decisions concerning Heart to Heart operations in Uzbekistan without first consulting with him. In addition to Mr. Timcke and the PERDCA staff, Heart to Heart International has established numerous other contacts in Uzbekistan, as depicted by figure III-3.

Barbi Moore believes her organization's operations have many parallels with military stability operations with respect to establishing initial operations. In an interview with her in Tashkent, Mrs. Moore said

Heart to Heart in many ways is like the military coming into a country, because we don't have offices and we don't have contacts. In every country Heart to Heart has to find the local people – so often it's ex-pats [U.S. citizens working abroad] that understand an

American mindset and how our donors are going to expect a project to flow. They know where to find resources, hot spots, what to avoid, and also what's going to be important to the local people. In Uzbekistan, it's Michael Timcke of PERDCA, it's Erik Schenkel [Central Asian–American Partnership for Academic Development] that know the lay of the land. They know where to find transport and how to interface with the Cabinet of Ministers.

We must find that network in any country. First, I go to the [U.S.] Embassy to find what NGOs are on the ground. I meet with the Ambassador or Deputy Chief of Mission, USAID, and other relief agencies. I look for NGOs I've worked with before to get introduced into the NGO community and find a link into the Government. [Ref. 22]

Mrs. Moore's comments echo JP 3-08's recommendation to joint task forces to connect with PVOs and NGOs long established in country to collect information, make contacts with Government officials, and tap into available resources. Heart to Heart's Senior Vice President of International Operations believes networking with other PVOs has great value, and she has adopted this as her key strategy for establishing a foothold in new countries.

d. Military Cooperation

Heart to Heart, International and Moore support coordination with the military. While in Uzbekistan, with the encouragement of a U.S. Embassy official, she attempted to contact military officials to coordinate future joint humanitarian operations in the Karshi region. High military operational tempo during December 2001, coupled with Moore's tight schedule, prevented coordination, however.

e. Field Procurement

During an aid mission, the project manager generally travels with cash in U.S. dollars until arrival in country, and then converts it to local currency. Frequently, there is also a demand for dollars and some transactions are carried out in dollars. Customs laws typically limit the amount of cash that can be carried by one person to \$10,000 USD, so on major missions involving 50 – 70

physicians Heart to Heart will divide carried cash among the senior staff members to clear customs.

Heart to Heart engages only in small purchases during airlifts. Major expenses are rarely incurred due to the nature of their specialized humanitarian assistance. Shipping costs are contracted for by the DoS or donated by Federal Express. The host nation Government typically arranges for download of aid from aircraft to trucks for ground transport to hospitals and clinics. Heart to Heart commonly incurs expenses for support services, including lodging, meals, communications support (email, fax, cellular phone service), and air or ground transportation of personnel. Heart to Heart may also purchase large quantities of needed foodstuffs in the region to avoid transport costs. For example, in December 2001, Moore was working with Uzbek and Afghan businessmen to purchase wheat and sugar for distribution to Afghan families in need.

The project manager attempts to coordinate most support services during the advance party visit/assessment several weeks prior to the arrival of a major airlift accompanied by dozens of physicians. Mrs. Maya Eskridge, International Programs Project Director for Heart to Heart and frequently the project manager or financial manager for major humanitarian missions, characterized the procurement during airlifts as a combination of oral agreements, undefinitized agreements (letter contracts), and indefinite delivery/indefinite quantity (ID/IQ) purchase orders. According to Mrs. Eskridge, approximately 40% of all her procurement actions in foreign nations are based on oral agreements, although she notes that as technology continues to penetrate developing nations, this percentage steadily decreases. A typical oral agreement would be a promise by a restaurant to provide 50 meals for Heart to Heart physicians on a certain date for a set price. The remainder of her purchasing is categorized as letter contracts and ID/IQ purchase orders. Examples include a fax or email from a hotel agreeing to provide an approximate quantity of rooms for a set rate for set period, or, an agreement to provide buses to transport physicians at a pre-arranged rate. [Ref. 41]

Negotiations are typically limited to discounts. Volume discounts of an average of 25% are typically obtained for lodging, sometimes increasing to 50% for larger hotels with excess capacity. For most goods and services, project managers rely primarily upon informal market research – little more than price and quality judgments – during the assessment and the information collected via networking to determine what the market rate is for services. [Ref. 41]

5. December 2001 Airlift to Uzbekistan

In December 2001, Heart to Heart delivered \$2.3 million of medical aid to three regions of Uzbekistan at the request of the State Department's S/NIS -C office. The DoS Office of the Coordinator of U.S. Assistance to the Newly Independent States requested that where applicable, assistance be directed toward Uzbekistan as a gesture of goodwill in response to their support of *Operation Enduring Freedom*. Heart to Heart collected donations of prescription medications, over-the-counter medications, and consumable medical supplies and palletized them at their Kansas warehouse for distribution in Uzbekistan. Copies of the manifests and air waybills (a document detailing the means of shipment, route, and charges) were forwarded to Heart to Heart's local coordinator – PERDCA – for coordination with Uzbek customs officials and the Minister of Humanitarian Assistance. The S/NIS-C submitted a request for bid for shipment of the pallets to Uzbekistan. The requirements were to ship 25 pallets from Kansas via New York City and Luxembourg City to Tashkent, Uzbekistan, with distribution via two aircraft to the regional centers of Urganch, Nukus, and Andijon. Panalpina, Incorporated won the bid at \$107,000 USD.

a. Airlift Coordination

Mrs. Moore, already very familiar with the processes and players necessary to coordinate an airlift in Uzbekistan, coordinated the execution of the airlift with PERDCA via fax and email. A small operation at 25 pallets, she determined she could execute the operation without additional support staff. The PERDCA team would be in country with transportation, communication, and linguist support. The Senior Vice President also scheduled visits with other

PVOs and ex-pats friendly to Heart to Heart and planned assessments of regions for a follow-on mission. The PERDCA staff processed the manifests and waybills through the Uzbek bureaucracy.

Upon arrival, Mrs. Moore met with Michael Timcke, PERDCA manager for Uzbekistan and local coordinator for Heart to Heart. He immediately supplied Moore with a cellular phone for use in Uzbekistan. Based on his experience with cellular providers, Mr. Timcke purchased service with the widest area coverage, knowing Moore would be traveling throughout Uzbekistan. She confirmed her schedule, and with PERDCA's assistance oversaw the preparation of documentation necessary to process the shipment. She met with Dr. Alisher Sharipov, Minister for Humanitarian Assistance, of the Uzbek Cabinet of Ministers, who brokered a host nation agreement between Heart to Heart and the Uzbekistan Government addressing host nation support of Heart to Heart's relief operations including customs waivers and ground transportation. Mrs. Moore also met with John Post, Deputy Director of the S/NIS-C office, who was in Uzbekistan to coordinate a summer relief operation.

b. Additional Coordination

In addition to supervising the airlift, during Mrs. Moore's eight-day mission to Uzbekistan she conducted additional business and coordination, including:

- Assessments of clinics and hospitals in Samarqand to determine medical needs;
- Discussions with Samarqand's regional health director, airport director, and both air and ground customs agents to prepare for a Spring 2002 airlift;
- Visits with ex-pat physicians supporting Heart to Heart operations;
- Delivery of sweaters to an orphanage supported by a partner PVO;
- Discussions with the Minister for Humanitarian Aid on medical needs in Uzbekistan;
- Discussions with the Deputy Director, S/NIS-C, U.S. State Department, to plan a future DoS-funded mission to Uzbekistan;

- Discussions with Uzbek Health Officials concerning establishment of a national blood supply system;
- Discussions with an Afghan businessman to establish contacts and support for future operations in Mazar i Sharif;
- Host of an appreciation luncheon for PVOs and Government officials supporting Heart to Heart operations in Uzbekistan.

c. Sub-Contractor Problems and Privity of Contract

Early in the trip, a snag developed with the airlift. Mrs. Moore had not heard from Panalpina, the freight forwarding company, to finalize details of the shipment's arrival at Tashkent and subsequent distribution. The shipment was contracted for a firm fixed price of \$107,000.00 with Panalpina, but at the request of the Uzbek Government, the State Department asked Panalpina to use Uzbekistan Airways (Uzbek Air) as a subcontractor for the shipment. The attacks of September 11th, 2001 had hurt Uzbek Air's profitability, and as a nationalized firm, the Government of Uzbekistan had asked for this consideration. Given Uzbekistan's cooperation with *Operation Enduring Freedom*, the DoS wanted to be helpful [Ref. 42].

Panalpina did in fact subcontract for \$76,000.00 with Uzbek Air for shipment of the aid from Luxembourg to Tashkent, and subsequent distribution by air to three regions of Uzbekistan using two aircraft. Uzbek Air has a requirement that all its cargo operations be coordinated through a European affiliate, Cargo Net. Two days prior to the shipment, Cargo Net and Uzbek Air attempted to leverage their role in the shipment. Demands included a delay of the flight by one day, an additional \$20,000.00, additional cargo placed on board (prohibited in the original contract), shipment from Zurich or Bonn instead of Luxembourg, and the use of one aircraft instead of two.

Panalpina, Heart to Heart, and State Department representatives met daily – sometimes twice daily – with Uzbek Air. With each meeting, some of the contract issues were resolved, but between meetings Uzbek Air submitted new demands. The Commercial Cargo Director for Uzbek Air at Headquarters in

Tashkent, with whom negotiations were conducted, blamed Cargo Net for the changes and said the exclusive shipping agreement with Cargo Net tied his hands.

The State Department, as the owner of the contract for Heart to Heart's shipment, entered direct discussions with Uzbek Air, breaching privity of contract, but forcing Uzbek Air to meet the critical terms of the agreement – price and number of aircraft. Privity of contract refers to the direct relationship that exists between contracting parties. The Government signs a contract with one contractor – the prime contractor; therefore, there is privity of contract between the Government and the prime contractor (Panalpina). However, the Government does not sign a contract with any subcontractor, so no privity of contract exists (Uzbek Air). Since no privity exists, the Government cannot negotiate directly with the subcontractor or direct the subcontractor to take any action.

After four days of heated discussions, the issues were resolved. The flight was delayed one day forcing the aid to be distributed during a three-day holiday commemorating the end of Ramadan and causing a last minute change to the U.S. Ambassador's scheduled ceremony. Other concessions included additional cargo placed on the aircraft and flight departure from Bonn, not Luxembourg. The DoS representative threatened to send the aid to another nation, called the Uzbek Minister for Humanitarian Aid into the meetings to help resolve the dispute, and informed the U.S. Ambassador, who planned to contact the Uzbek Minister of Foreign Affairs if the issue continued to be a problem. Panalpina was hamstrung – caught in the middle by the State Department's request to use Uzbek Air and Uzbek Air's control over all regional air traffic within Uzbekistan. Panalpina committed, however, to pay for additional aircraft to ensure the shipment was made – though this never became necessary. Panalpina's offer to absorb any additional cost was made, according to the local Panalpina representative, to keep its reputation sound with the Department of State, a frequent Panalpina customer.

d. A Successful Airlift

Although delayed, the medical supplies were delivered as planned. Five pallets each were delivered to Urganch and Nukus, and fifteen pallets were delivered to the densely populated region of Andijon. A Heart to Heart or PERDCA representative supervised each shipment, and the regional health directors who received the supplies inventoried them under the supervision of the customs agents before departing the airports. PERDCA staff will conduct a follow-on inspection of aid distribution for Heart to Heart within one month.



Figure III- 3 Pallets of Medical Aid are Unloaded from the Aircraft

The Minister for Humanitarian Aid, Dr. Sharipov, is working to ensure aid is properly distributed to the Uzbek people. He has instituted a labeling process for all donated medical aid. Pharmacists must inventory aid upon receipt and mark it "Humanitarian Aid, Not for Resale." Logs must be kept of drugs issued by the hospital pharmacies, subject to inspection. Additionally,

Sharipov's staff visits bazaars and open air markets looking for black market medicines labeled as aid. However, according to one Uzbek physician, there is little the Government can do to prevent doctors from selling access to the medications if not the medicines themselves [Ref 43]. Unless a payment is made, the doctor may not offer the medications in stock.

The Minister for Humanitarian Aid hopes that the media can help reduce this practice by informing the public. He believes if the media publicize the arrival of aid and its distribution to area clinics, the people will challenge the doctors and demand free medicines. In Tashkent PERDCA contacted the press, which subsequently covered the U.S. Ambassador's planeside reception. The local radio and television news filmed the deliveries to Urganch and Nukus. Sharipov also plans to invite the media to his follow-on verification inspections of the clinics to reinforce to the public the availability of free medicines. [Ref 44]



Figure III-4 U. S. Ambassador to Uzbekistan John Herbst's Planeside Address

F. CHAPTER SUMMARY

This chapter presented information on contingency contracting operations in Uzbekistan, as well as the humanitarian operations of Heart to Heart and Samaritan's Purse. The contingency contracting officers in Uzbekistan have processed hundreds of procurement actions for goods and services valued at more than \$7 million. They believe that better information early on could have improved their initial procurements. They have not interacted with PVOs to obtain market information but do not oppose sharing market information with PVOs.

Samaritan's Purse and Heart to Heart International have conducted airlifts of humanitarian aid to Uzbekistan as recently as December 2001. Their organizations use on-the-job training to prepare staff members to conduct field procurement. Both PVOs are currently drafting written guidelines for field operations. A key component of their coordination and execution methods is networking with other PVOs already in country.

Senior staff members of both Samaritan's Purse and Heart to Heart support cooperative networking efforts with the military, but other than an unsuccessful attempt by Mrs. Moore of Heart to Heart to contact an Embassy liaison to Karshi-Khanabad, no military-PVO networking occurred during Uzbekistan humanitarian operations.

The next chapter reviews the potential for military-PVO procurement networking during stability operations. It discusses the potential benefits of military-PVO procurement networking, means of networking, and possible problems and solutions.

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IV. ANALYSIS

The real peacekeepers in a peace operation are the humanitarian relief organizations that provide both aid for the present and hope for the future. They can be our allies, but they must at least be part of our planning and coordination efforts.

Kenneth Allard

Somalia Operations: Lessons Learned

A. PURPOSE

This chapter analyzes the information provided in previous chapters to glean the best practices used by Heart to Heart and Samaritan's Purse. A best practice is defined as a process or method used by PVOs that produces positive results and is applicable to contingency contracting. My analysis of Heart to Heart and Samaritan's Purse shows that there are three best practices applicable to contingency contracting:

- In-depth training that fully prepares the project manager/coordinator to execute humanitarian operations;
- Empowerment of the project manager/coordinator to procure resources and expend funds without seeking prior approval;
- Networking with other PVOs before and during humanitarian operations to gather market information.

Networking is by far the most useful practice identified: consequently, the bulk of this chapter discusses it.

I analyze each best practice using a consistent format. First, I review the process or method's application within Heart to Heart and Samaritan's Purse. I then discuss how this practice can be implemented within contingency contracting, assessing barriers to its implementation and means to overcome those barriers. I complete the discussion of each best practice by identifying unintended consequences that might result from implementation and means to counter them (see Table IV -1, Chapter Outline). The chapter concludes by summarizing the three best practices and their benefits.

Chapter Outline	
A. Purpose B. Best Practice: In-Depth Training <ol style="list-style-type: none"> 1. Training within PVOs 2. Military Implementation <ol style="list-style-type: none"> a. Hands-On Training b. Mentoring/Apprenticeship 3. Barriers to Implementation 4. Pitfalls of Implementation C. Best Practice: Purchasing Authority <ol style="list-style-type: none"> 1. Delegated Purchase Authority 2. Military Implementation 3. Barriers to Implementation 4. Pitfalls of Implementation D. Best Practice: Networking <ol style="list-style-type: none"> 1. Networking to Obtain Information 	<ol style="list-style-type: none"> 2. Implementation <ol style="list-style-type: none"> a. PVOs Provide the Pattern: Networking b. The CMOC Can Help Contingency Contracting Officers Develop PVO Contacts c. Market Data Supplied by PVOs Can Produce Lower Prices and Reduce Performance Risk d. Information Sharing Can Reduce Resource Competition 3. Barriers to Implementation <ol style="list-style-type: none"> a. Proprietary Data Restrictions b. Military Cultural Bias Against PVOs 4. Pitfalls of Implementation <ol style="list-style-type: none"> a. Proprietary Data Violations b. Undue PVO Influence E. Chapter Summary

Table IV-1

This chapter recommends that in-depth training should be implemented into the contingency contracting officer development process, that contingency contracting officers initially deploying into an area to support stability operations should have additional freedom and discretion over expenditures; and that contingency contracting officers should strive to network with PVOs to gain market information.

B. BEST PRACTICE: IN-DEPTH TRAINING

Both Heart to Heart and Samaritan's Purse train their project managers and country coordinators, respectively, using a long-term, hands-on, apprenticeship/mentoring method. Training incorporates managing the project and the resources. They believe no other means gives future project coordinators the means to quickly respond to the dynamic environment of humanitarian operations. This training method produces coordinators that understand foreign cultures and know how to lead a humanitarian operation using procurement to support it.

1. Training within PVOs

Training takes place over several months and multiple humanitarian operations. The training is hands-on; future coordinators assist with current projects learning the means of coordinating, executing, and financing a mission under the care of experienced staff members. New coordinators are specifically trained to seek out PVOs operating in-country for assistance. They are exposed to negotiations and discussions with U.S. and host nation officials, eventually becoming the chief negotiator with their mentor assisting. Responsibilities are gradually added to the trainee's duties, including the authority to procure resources. Training takes place both in the office during the coordination phase and abroad during mission execution. When a trainee has demonstrated sound judgment and has learned to negotiate, coordinate, and fund an operation, he or she is first given small projects or advance party coordination duties. As experience grows he or she is given larger responsibilities. Only the most reliable coordinators, with demonstrated performance, are assigned to critical projects. The product of hands-on training methods is a coordinator fully capable of executing a humanitarian operation with little supervision.

Although written guidelines are being developed by both PVOs studied, in neither case are those guidelines prescriptive. Coordinators are delegated the authority to make decisions on the ground including purchase authority. Their hands-on training methods mesh well with the flexibility of their policies and delegation of authority. Coordinators are also taught to determine the need, select the resources to meet that need, purchase those resources, and maximize their use. Coordinators are taught to manage and account for the funds expended. This training produces a coordinator that can confidently enter a new area, locate other organizations that can support the mission, and resource and execute the humanitarian mission with minimal input from the PVO's headquarters.

2. Military Implementation

a. Hands-On Training

Hands-on training of contingency contracting officers could be incorporated into the training through temporary duty assignments (TDY) to ongoing stability operations. These deployments could last up to six weeks and would provide new contingency contracting officers direct experience assisting seasoned contracting officers in the field. They could sit in on negotiations, observe cultural differences, and gain experience with the documentation process. The optimum time of TDY would be immediately following Defense Acquisition University course CON 234.

A less effective alternative would be the inclusion of scenario-based training in CON 234. Contingency contracting officers spend months learning acquisition policies and regulations, yet only two weeks studying contingency contracting. Captain Robare echoed the AFARS Contingency Contracting Manual's observation that local culture and business practices impact contracting. He also noted the inexperience of most contingency contracting officers during their initial deployments. One contingency contracting officer Robare quoted said,

Very few KOs get training in services, writing a large dollar contract, how to negotiate, or making price reasonableness determinations when there are no published prices.... [Ref. 10]

Robare writes that this lack of knowledge makes it difficult for contingency contracting officers to quickly identify and select sources, negotiate reasonable prices, and write contracts that minimize risk to both parties. In his thesis comparing contingency contracting training across the Department of Defense, McMillon concluded that current training does not fully prepare a contingency contracting officer [Ref. 11]. Robare and McMillon both support scenario-based contingency contracting training simulations. Use of affordable digital video technology could create interactive CD ROMs presenting a series of situations for trainees to review, followed by questions to answer. Implementation of

simulations, though not as effective as hands-on training, could enhance the training of contingency contracting officers and make their initial deployments more successful.

b. Mentoring/Apprenticeship

In most contracting organizations, there should be some officers with prior contingency contracting experience. Teaming new contingency contracting officers with those with experience in a mentoring relationship before and during stability operation contracting support may facilitate faster learning of contingency contracting knowledge, skills, and abilities not found in the texts, including cultural considerations.

Another possibility is military internships with PVOs. Major military commands should consider their area of responsibility (AOR), threats in the area, and coordinate with PVOs/NGOs operating in the area when arranging an internship. Locating a favorable humanitarian organization already operating in the AOR will reap intelligence, cultural, socio-economic, and market research benefits. Embedding a contingency contracting officer into a PVO's humanitarian operations for a short period would also promote positive interaction, facilitating better understanding between military and PVO cultures. USAID supports military internships with PVOs as well as their own agency. When given the opportunity to provide input to this thesis on the benefits of military internships, Roger P. Winter, USAID Assistant Administrator for the Bureau for Democracy, Conflict, and Humanitarian Assistance, said

USAID supports the exchange of military officers to improve cooperation and efficiency in the field as well as the deployment of USAID personnel to component commands to facilitate coordination. Military liaison officers in the Office of Federal Disaster Assistance directly support the component commands and have been deployed to SOUTHCOM and CENTCOM in the past as needed.

Experience has shown that the value added through these exchanges is increased communication and improved coordination of efforts through a greater understanding of our shared mission to

provide aid and assistance within the framework of U.S. foreign policy. [Ref. 54]

3. Barriers to Implementation

There are no barriers to developing CD ROM-based scenarios other than the minimal cost of production. An enterprising person with a digital video camera, personal computer, and web page design skills could develop simple scenarios at low cost.

Hands-on training via TDY presents much larger barriers. A significant investment in TDY expenses would be incurred. Manning critical contracting positions is another problem; loss of contingency contracting officers for up to six weeks may exacerbate manning difficulties. These barriers cannot be eliminated, but the costs are manageable. If implemented, contracting commands must carefully select a few contingency contracting officers for this additional training. By limiting TDYs to a small number of contingency contracting officers per Major Command, Marine Expeditionary Unit, Fleet, or Air Combat Command, military units can increase the experience level of their contracting officers most likely to deploy without sacrificing overall manning. If experienced contingency contracting officers are on staff, additional training of a new contingency contracting officer via TDY to a stability operation is probably unnecessary. If no contingency contracting officers on staff have field experience, however, the resources expended to send one officer TDY may be a valuable investment.

PVO internships by contingency contracting officers seems a frivolous use of contingency contracting skills while the military is deep in the throes of *Operation Enduring Freedom*. When a new phase of calm returns, however, and units potentially spend years without a major deployment, such a teaming arrangement becomes much more feasible. Likewise, the lessons learned while interned would provide experiences unattainable in peacetime. As with contingency contracting TDYs discussed above, the personnel and financial resources required for an internship are great. Only a few contingency

contracting officers should be selected for internships with PVOs; the follow-on assignment should leverage this training by placing the contingency contracting officers in positions where they can use and share their experiences.

Significantly, the need for and benefits of this training grow as the military performs fewer stability operations. When there are fewer deployments, contingency contracting officers are not as critical to their units. Training funds are more available. Therefore, as the need for the training increases, resource availability also increases.

4. Pitfalls of Implementation

Not to be confused with barriers, pitfalls are negative unintended consequences that result from implementing recommended changes. There are no pitfalls to additional training. The experiences gained through hands-on training, scenarios, mentoring and internship can only enhance the performance of contingency contracting officers. However, there are inherent security risks whenever one is deployed. Precautions must be taken to ensure officers abroad with PVOs during an internship are not placed in areas clearly hostile to the U.S. Such precautions should include wearing of civilian clothes only, relaxing of military appearance standards, use of the civilian passport rather than the Geneva Conventions Armed Forces Identification Card as the primary form of identification, and restriction of travel only to countries with manageable safety and security risks.

C. BEST PRACTICE: PURCHASING AUTHORITY

Both Heart to Heart and Samaritan's Purse delegate purchasing authority to the senior representative deployed on the humanitarian operation. The country coordinator (Samaritan's Purse) or project manager (Heart to Heart) is empowered to assess the needs, procure the resources necessary to meet the needs, and take the necessary steps to complete the humanitarian operation without seeking approvals from higher levels of the organization.

1. Delegated Purchase Authority

Within the studied PVOs there is no requirement to seek approval for routine purchases from higher levels of the PVO organization. Heart to Heart and Samaritan's Purse have an unwavering focus on successfully completing humanitarian operations and their policies and procedures reflect this focus. Their written procurement policies serve as flexible guidelines to assist coordinators in decision-making. Their policies delegate maximum authority to the coordinators on the ground, including -- in Samaritan's Purse's case -- purchase authority for commitments well above the Government's \$200,000 simplified acquisition threshold. Even with this exceptional spending authority without prior approval, Samaritan's Purse carefully accounts for each dollar and makes every effort to spend funds wisely -- accountable to God and the donors, as Samaritan's Purse accountant Jackie Blevins stated [Ref. 34]. Also, only those individuals that have demonstrated sound judgment, financial responsibility, and have extensive experience are selected as coordinators for major projects. Additionally, on major projects, Samaritan's Purse includes a bookkeeper who helps the coordinator maintain accountability and who reports to headquarters weekly.

The PVOs have flexible procedures and delegate authority to the lowest level, enabling coordinators to rapidly respond to a crisis and quickly adjust to situational changes, such as Samaritan's Purse's rapid response to the Nahrin earthquake in Afghanistan. When minutes count, hours are not spent seeking approval. Before official approval to send supplies and medical personnel was granted from Samaritan's Purse headquarters in Boone, North Carolina, trucks were already on the road from Kholm to Nahrin with physicians, medical supplies, and shelter materials. [Ref. 35]

2. Military Implementation

As noted in Chapter II, many requirements of the FAR are waived or relaxed during contingency operations. The easing of regulations during contingency contracting operations gives the contracting officer much of the

needed flexibility to support the military force. The Defense Acquisition University course on contingency contracting teaches that the contingency contracting officer must *ask* for delegation of authority, however [Ref. 45]. To fully achieve the flexibility necessary to execute contingency contracting, contracting officers must not *ask* for delegation of authority but *plan* for it. The contingency contracting support plan for operations should include deliberate delegation of all possible authority to the deploying contingency contracting officers. Included in the plan should be memoranda, ready to be signed, granting contingency contracting officers additional authority.

The military should also consider granting the contingency contracting officer full authority to obligate available funds without consultation and approval from higher levels of contracting authority. The contingency contracting officer should control the purse during the first weeks of a stability operation. Like the coordinators of the PVOs, contingency contracting officers should be empowered to assess the needs, procure the resources necessary to meet the needs, and take the necessary steps to support the force without seeking approvals from higher levels of the command.

This empowerment in no way implies any less accountability of funds or responsibility for efficient use of Government funds. Like the PVOs, contingency contracting officers are committed to high standards of conduct and understand the scrutiny of their expenditures. A disbursing officer can still verify every expenditure. Adopting this policy gives the contingency contracting officer the ability to rapidly respond to the needs of the military force without sacrificing accountability.

3. Barriers to Implementation

The Federal Acquisition Regulations pose a barrier to empowerment by limiting the delegation of additional monetary authority to contingency contracting officers. These restrictions exist in part because the full power of Executive Order 10789 and 29 USC 1431 is rarely applied. Title 29 U.S. Code Section 1431 gives the President the authority – which by Presidential Executive Order

10789 has been delegated to the Secretaries of the Armed Forces – to set aside all acquisition regulations for procurements under \$50,000.00. In part, Section 1431 reads

The President may authorize any department or agency of the Government which exercises functions in connection with the national defense, acting in accordance with regulations prescribed by the President for the protection of the Government, to enter into contracts or into amendments or modifications of contracts heretofore or hereafter made and to make advance payments thereon, without regard to other provisions of law relating to the making, performance, amendment, or modification of contracts, whenever he deems that such action would facilitate the national defense. [Ref. 46]

Section 1431 clearly establishes the necessary authority contingency contracting officers need to exercise greater control over funds. However, a risk-averse administrative culture can sometimes become a barrier to delegation of such broad contracting authority. To obtain the flexibility and responsiveness that additional financial empowerment of contingency contracting officers can provide, FAR requirements must be waived. Leaders with delegation authority at all levels must shift from risk aversion to risk management, understanding that the benefits of empowerment outweigh the limited risk of granting contingency contracting officers full control over purchases under \$50,000.

This additional “extraordinary” contracting authority need not be granted for the duration of the operation. Rather, it should be carefully measured out to a select few contingency contracting officers who are establishing operations in new locations where flexibility and responsiveness are critical. Major Commands should identify personnel for an Early Entry Contracting Team (EECT) and train its members via CON 234, additional hands-on training as discussed above, and empower a member of the team with greater control over funds. Also, the contingency contracting officers selected as first responders should not be selected unless they have previously demonstrated their reliability and sound judgment – much like the project managers of PVOs. Once the initial confusion

and chaos have been resolved, the additional authority can be revoked, or the team can be replaced by contingency contracting officers with standard authority and training.

Additionally, during the contingency planning process, the contacting staff must include the invocation and duration of needed waivers into the contingency contracting support plan. The hours prior to a short-notice contingency contracting operation are not the time to explain the need to empower contingency contracting officers.

4. Pitfalls of Implementation

The potential pitfalls of granting purse authority to the contingency contracting officer are readily apparent: arbitrary and capricious, unethical, or criminal actions, and Anti-deficiency Act violations (“an officer or employee of the United States Government ... may not make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund...” [Ref 47]). Another possible pitfall is inadvertent mismanagement or misallocation of funds; without existing regulatory controls the contingency contracting officer may unintentionally overspend. The contingency contracting officer may also be more susceptible to pressures from the task force commander. If contingency contracting officers have control of the purse, they may spend funds indiscriminately and fail to properly support the force.

These possibilities, though, are remote. Even if additional spending authority is granted, contingency contracting officers maintain all the accountability requirements. The disbursing officer remains to verify expenditures. The character traits demonstrated by the contracting officer when granted his or her warrant do not dissolve with the regulatory requirements. Finally, this extraordinary authority need not remain in place after the deployment phase is complete.

D. BEST PRACTICE: NETWORKING

1. Networking to Obtain Information

Having reviewed the operations of Heart to Heart and Samaritan's Purse, the key element that differentiates their procurement methods from contingency contracting is networking. Prior to departure on a humanitarian operation, as an integral part of mission planning, the studied PVOs network with the U.S. Embassy staff, individuals, and PVOs already in country. Their networking goals during the planning stage are:

- Determine the need;
- Estimate the appropriate response;
- Become familiar with the culture, economic and political situation;
- Determine which international organizations are in the region.

A key task of networking is to determine the people in the region that exercise the influence necessary to support the relief mission. Local coordinators for Heart to Heart also assist by assessing the needs in country and reporting them to Heart to Heart. This enables Heart to Heart to better prepare airlifts of aid for shipment. Prior to departure, the PVOs coordinate meetings with these key players including foreign Government officials, U.S. Government officials at the Embassy and U.S. Agency for International Development (USAID), locally operating PVOs, local coordinators, and individuals willing to assist.

By the time Heart to Heart or Samaritan's Purse enter the country, key local support is already coordinated. Once on the ground, this local support network assists the PVOs in resourcing and executing their humanitarian mission. The local support network provides critical liaison into the host nation Government, sources of supplies and services, transportation, and warehousing. Without the support of the pre-existing local PVO network, the PVO must send out an advance party weeks in advance to coordinate an airlift, arrange life support, and coordinate aid receipt and distribution.

2. Implementation

a. PVOs Provide The Pattern: Networking

CPT Robare concluded his thesis by asking,

Given the differences in culture, language, customs and business practices encountered by contingency contracting officers ... what are the problems surrounding the contract award ... and how can these issues be effectively dealt with to prevent or resolve the problems? [Ref. 10]

A key problem surrounding contract award identified by the contingency contracting officers I interviewed was the lack of market information early on in the deployment. PVOs provide a reliable source of sound market information. Networking with PVOs also provides valuable insights into the contingency environment – culture, customs, and business practices – to aid the contingency contracting officer in executing his duties.

Just as Samaritan's Purse and Heart to Heart network with other PVOs to share information, so should contingency contracting officers network with PVOs. Before Samaritan's Purse or Heart to Heart personnel ever depart the United States, they begin to network with PVOs in country. They contact other organizations they know or suspect are already operating in the region and attempt to establish communication with supportive fellow PVOs in country. U.S. Government agencies like USAID and the Embassy or Consulate are contacted to locate PVOs. Contingency contracting officers should also attempt to establish PVO contacts prior to deployment, collecting market information to incorporate into the procurement planning. Contingency contracting officers can find contact information on major NGOs and PVOs operating in an area via the UN Office for the Coordination of Humanitarian Affairs web site, ReliefWeb® (<http://www.reliefweb.int/w/rwb.nsf>) and also at InterAction®, the American Council for Voluntary International Action (ACVIA) website (<http://www.interaction.org>). ACVIA has established standards for members PVOs in the areas of governance, finance, communications with the U.S. public,

management practice, human resources, programs, and public policy. It is also conceivable that as contingency contracting officers network among themselves an internal list or database of supportive PVOs could be developed to contact first before cold-calling PVOs known to be operating in a country.

Captain Seiple commented in his thesis on the civil-military relationship that “[C]oordination requires an exchange. NGOs will not come to a meeting unless there is something to be gained” [Ref. 48]. There must be an exchange of information – the PVOs should also benefit from sharing market information. As contingency contracting officers determine sources of supply, wage, and pricing information, this information can be shared with PVOs. If the military and PVOs share information, beneficial competition in the buyers’ favor may result. Bidding wars between the military and PVOs can be avoided.

b. The CMOC Can Help Contingency Contracting Officers Develop PVO Contacts

Many NGOs and PVOs already operate closely with the CMOC. Andrew Natsios, the current Administrator of USAID has written:

the most practical mechanism for ensuring that some coherent design and planning does take place is the system of civil-military operations centers, developed to establish and maintain operational contact among the military and humanitarian participants in a complex operation. The CMOC’s usefulness is clear to most of the humanitarian agencies.” [Ref. 49]

The CMOC can serve as a conduit for communication between contingency contracting officers and PVO procurers. As PVOs pass through the CMOC, contingency contracting officers can learn which PVOs are favorable to military cooperation and establish contacts with them. After contacts are made, market research information can be exchanged via cellular phone, email, or face-to-face communication. When a contractor for a temporary construction project is needed – temporary latrines or guard towers, for example – the contingency contracting officer could approach the CMOC staff to determine if any PVOs operating in the area have built temporary facilities for displaced persons. A

phone call to a cooperative PVO can quickly yield what local firm was hired, type of construction, and price.

If the CMOC does not yet have contact information on area PVOs, they will at least have contact with the humanitarian operations center (HOC) – the coordination cell for NGOs/PVOs in country. The HOC maintains contact information on almost all humanitarian organizations operating in country, as well as the location, mission, or objective for each PVO. Additional sources of contact information for PVOs include UN agencies like the World Health Organization or High Commission for Refugees, USAID, and the U.S. Embassy or Consulate.

Contingency contracting officers often operate in a Joint Contracting Cell (JCC) through which all procurements are coordinated. My recommendation is to co-locate the JCC with the CMOC in the base camp. Local national contractors visit the JCC just as PVOs and host nation officials visit the CMOC; both the JCC and CMOC need ready access to a secured base camp entrance. If these cells were adjacent to each other, it would facilitate exchange of information and better coordination. The contingency contracting officers and civil affairs staff are often the only elements of the military force regularly leaving the base camp and meeting with local nationals. By working together, the JCC and CMOC could assist each other with security and transportation, as well as exchange market information and intelligence.

My observations in Uzbekistan indicate it should not require in-depth research to establish contacts with PVOs willing to share information. If a PVO staffer cannot help, he or she will provide the name of someone who can. In Tashkent, Uzbekistan, Erick Shenkel of the Central Asian-American Partnership for Academic Development serves voluntarily as the liaison between numerous PVOs, USAID, and the Uzbek Government. I was directed to him by Heart to Heart, PERDCA, and Northwest Medical staff to support my research.

Shenkel was very supportive of PVO interaction with the military. In fact, of more than one dozen representatives from six different PVOs, no one

with whom I spoke opposed cooperation and sharing of market information with contingency contracting officers.

c. Market Data Supplied By PVOs Can Produce Lower Prices and Reduce Performance Risk

Market information is critical to the first weeks of a deployment to an immature contracting environment. The contingency contracting officer is often unaware of what sources of supply exist in the area or which suppliers provide the best value. The host nation sometimes provides a list of preferred suppliers, but as the contingency contracting officers in Uzbekistan found, these suppliers are not necessarily the best sources. As already noted, contingency contracting officers do not have access to local market information, culture, or business practices. An exchange of market information with PVOs can offset this deficiency.

Recall the contingency contracting officer who exchanged market information with media purchasing agents. Journalists were paying \$125 per day for linguists and were surprised to discover the military was paid only \$600 per month. The media purchasing agents, with this simple exchange of information, potentially saved thousands of dollars.

Consider the switching of cellular phone service by the task force contingency contracting officers in Uzbekistan. After signing an agreement for cellular service with Unitel, they soon changed service to Uzdrun-Rubita to obtain wider signal coverage needed to conduct their mission. Time and funds were sacrificed to learn which firm had the best coverage, not to mention the inefficiencies introduced due to missed calls. In contrast, when Barbi Moore arrived in country, her PVO contacts provided her with a cell phone with the best available signal coverage throughout Uzbekistan. The in-country PVOs had the market information that made this possible. This same logic can be applied to any product or service.

Contract schedule and performance risk can also be lowered when the right contractors are chosen for the right jobs. One contingency contracting

officer stated that the initial firms selected from the host nation-provided list had difficulty performing the work, but as he learned which firms could best perform which types of work, overall contractor performance improved. FAR Part 15.305 (a)(2)(ii), *Source Selection*, permits the contracting officer to consider past performance information provided by the offeror and “any other sources.” PVOs may have had bad experiences in the past with contractors now bidding for Government services, and can alert contingency contracting officers to potential performance problems that require independent research by the contingency contracting officer. Likewise, PVOs can note excellent performance.

PVOs can provide useful information on businesses operating in the region. However, PVOs can have agendas, and market information provided should be considered in concert with other sources, including other PVOs, the host nation, USAID, and Embassy staff.

d. Information Sharing Can Reduce Resource Competition

CPT Robare identifies resource competition as a problem during stability operations. He noted that in contingency contracting officers face a severely limited supplier base during stability operations and frequently enter into competition with each other, contractors on the battlefield, and multi-national forces. [Ref. 10] An element of competition Robare did not discuss was competition for supplies and services with humanitarian organizations.

In complex contingency operations, PVOs can sometimes outnumber the military forces on the ground. Recall the inflation of prices during contingency operations reported by the Center for Naval Analyses. It discovered that when the military enters an area, prices increase as the military and PVOs bid against each other. [Ref. 12]

Robare recommends a centralized contracting structure to provide a means of coordination among contracting activities. This step will not eliminate competition with PVOs. Contingency contracting officers could, however, invite PVO procurement personnel into the coordination loop to further reduce competition. Competitive forces will rule the market, but if contingency

contracting officers and PVO procurement personnel share information on markets and suppliers both the military and PVOs will benefit.

3. Barriers to Implementation

a. Proprietary Data Restrictions

There are regulatory limitations to protect business' proprietary and past performance data, and release of information to PVOs to assist their procurement may seem to violate these restrictions. However, contract award information released along the guidelines provided by FAR Part 5.207, *Preparation and Transmittal of Synopses*, including winning contractor, dollar amount, and quantity can provide valuable information to PVO procurers. FAR Part 5.202 exempts contingency contracting officers from synopsis requirements, but nothing prohibits the release of this information. Also releasable are prevailing wage rates, sources of supply, or names and addresses of contractors that are debarred, suspended, or proposed for such (FAR Part 9.4). [Ref. 50]

b. Mutual Cultural Bias Between the Military and PVOs

If the contingency contracting officer remains mindful of proprietary data restrictions when networking with PVOs, the only remaining barrier to networking is cultural biases between PVOs and the military. Members of both organizations may view each other through stereotypic lenses that prevent cooperation. PVOs fear that by cooperating with the military they may lose their reputation for neutrality. Military members may see PVOs as nuisances that complicate if not frustrate stability operations. Cultural biases can be overcome by increased exposure, civil-military conferences during peacetime, and through internships as described in section B of this chapter. The impetus to take these steps already exists. Presidential Decision Directive 56 mandates interagency cooperation and encourages including NGOs and PVOs in the planning and coordination of complex contingency operations.

A problem concerning networking with PVOs and using the CMOC as a means to network is the opinion that it is little more than an information collection point for the military force – a means to gather information on NGO/PVO activities and encourage/discourage their actions based on military objectives. Joint Publication 3-57, *Joint Doctrine for Civil-Military Operations*, short-sightedly views properly executed civil-military operations as a means to

... reduce friction between the civilian population and the military force. The objective is to minimize interference with military operations by the civilian population. When possible, a second objective is to reduce military interference with the civilian populace. [Ref. 15]

This view underutilizes the CMOC's capability and serves as a disincentive for humanitarian organizations. Properly executed civil-military operations includes cooperation, coordination, and when possible mutual understanding and support of common objectives. As Captain Seiple commented, PVOs will not come to a CMOC meeting unless there is something to be gained. [Ref. 48] The CMOC can be used as a gathering point for NGOs and PVOs to coordinate assistance, plan aid transport routes in concert with military supply routes, convoy schedules and mobility, and receive up to date information on threats, mines, de-mining operations, and weather.

Contingency contracting officers may also fall victim to the false beliefs about PVOs based on past bad experiences. One contingency contracting officer interviewed referred to many PVOs as 'tree-hugger types that meant well but had the business sense of rocks' [Ref. 51]. The contingency contracting officer should remember that there is greater probability that *international* PVOs and NGOs are biased against the military than North American-based PVOs [Ref. 37], and that all PVOs are not equally skilled in negotiating. When making contacts, contingency contracting officers would serve their interests best by seeking out Core-Team PVOs as identified by RAND. As indicated earlier, Core-Team PVOs are those that are highly competent, broadly capable, and predisposed to cooperate with the military.

4. Pitfalls of Implementation

Networking with PVOs will provide contingency contracting officers with previously unavailable market information early in the deployment. However, networking with non-military organizations will certainly have some negative side effects. If contingency contracting officers are already aware of the pitfalls before they develop a cooperative relationship with PVO procurement personnel, unintended consequences can be avoided.

As previously mentioned, PVOs will expect an exchange of information, not one-sided depositing of valuable market research into the contingency contracting officer's account. There are four potential problems with exchanging information with PVOs: 1) receiving poor information, 2) violating proprietary data rights, 3) quid pro quo expectations, and 4) divulging classified operational information. Each of these could be damaging to contingency contracting operations if not the stability operation.

a. Poor Quality Information

Information sharing is only as valuable as the information shared [Ref. 52]. If PVOs provide information that is not timely or accurate, it has no value added to the contingency contracting officer. The contingency contracting officer must validate market information provided by PVOs via a second source, be it the contingency contracting officer's own research, a site visit, host nation sources, confirmation by another PVO, or input from another agency's contracting staff.

b. Proprietary Data Violations

As a contingency contracting officer gains familiarity with his PVO contacts, he or she may begin to inadvertently disclose contractor information that is too detailed, perhaps revealing proprietary data. This risk is potentially greater than the risk of revealing proprietary data of one contractor to another because the PVO may seem to be "outside" the procurement process, and the contingency contracting officer may unintentionally let his guard down during

conversations with PVO procurement professionals. The contingency contracting officer must remain mindful of the restrictions on disclosure when dealing with PVOs.

c. Undue PVO Influence

A second, more likely problem is the potential for PVOs to expect to influence the procurement process in exchange for providing market information. The interests and objectives of the military and PVOs will often be mutual, but at some point those interests will compete if not contradict. Many PVOs have a particular cause or ideology they support and gravitate to suppliers with the same orientation – perhaps firms of the same religion, ideology, or ethnicity. PVOs may also provide biased information to steer the contingency contracting officer toward particular suppliers and contractors that support the PVO's cause. PVOs may prevent the contingency contracting officer from learning about their preferred supplier of a commodity in high demand – bottled water, for example – to protect their source of supply from competition.

As contingency contracting officers work more closely with PVOs, it is inevitable that at some point an organization may attempt to place undue influence on the contracting process. Consider Samaritan's Purse and Heart to Heart's problems with Uzbek Air. The Government of Uzbekistan pressured Samaritan's Purse until the last possible minute to use Uzbek Air as its air carrier. By attempting to improve relations with Uzbekistan, the State Department influenced its contracted freight forwarding firm, Panalpina, to use Uzbek Air with near disastrous results. Uzbek Air, already receiving 71% of the \$107,000.00 contract, demanded \$20,000.00 more, and when this failed tried to cut costs by using one aircraft instead of two as agreed in the subcontract. This maneuvering by Uzbek Air forced the State Department to violate privity guidelines to resolve the conflict by entering into direct negotiations with Uzbek Air. Although not PVOs, the Uzbek Government and Uzbek Air illustrate how extra-contractual relationships can result in attempts to achieve undue influence.

The contingency contracting officer, merely by being forewarned of the potential for undue influence and inadvertent disclosures of proprietary data, is far less likely to experience problems. A concrete step to avoid disclosing proprietary data is to locally synopsize contract awards via the bid board. Contract award information can be locally posted on the bid board in accordance with FAR Part 5.207 [Ref. 50]. PVOs as well as bidders will have access to the bid board; therefore, the contingency contracting officer can refer them to the board to ensure each has equal access to the same releasable information.

A means of guarding against undue influence is to maintain an “arm’s length” relationship – working closely with other organizations but keeping enough distance to remain objective and professional – with PVOs as well as sources of supply and contractors. An obvious and essential part of the buyer-seller relationship, applying this concept to information exchanges with PVOs will reduce the potential for problems. PVOs understand the need to safeguard impartiality; successful PVOs often operate on both sides of a crisis when any perceived partiality could jeopardize their mission and their lives. North American-based PVOs willing to exchange market information should also understand and quickly accept the need to remain at an arm’s length.

d. Revealing Classified Operational Information

When contingency contracting officers interact with any person or group outside the military, they risk telegraphing operational intent. Seeking market information from PVOs can reveal operational information. For example, asking PVOs for information on construction materials and contractors can signal mission expansion and additional incoming troops. The contingency contracting officer must consider the information that may be inferred during networking and balance the risk of divulging operational information with the benefits gained by networking.

Contingency contracting officers must be extraordinarily careful when soliciting information from outside sources including PVOs prior to a deployment. Unless the mission has clearly been released in advance to the

public – such as U.S. forces' participation in the Implementation Force of the 1995 Dayton Peace Accord, Bosnia-Herzegovina – the contingency contracting officer should refrain from contacting PVOs to collect information. This does not preclude internet searches and creation of contact lists for use as soon as the operation is public.

E. CHAPTER SUMMARY

There are three best practices that can be reasonably incorporated into military contingency contracting with positive results: in-depth training, financial empowerment, and networking. In-depth, hands-on training that includes time spent deployed on a contingency contracting operation or with a PVO as an intern will train contingency contracting officers in culture and practices far beyond CON 234. Training simulations are another more affordable, yet less effective alternative. Financial empowerment of a member of the initial contracting team beginning support for a stability operations will increase the responsiveness of contingency contracting without sacrificing accountability.

Finally, if contingency contracting officers use the CMOC to network with PVOs already operating in the region, they can gain otherwise unavailable information on the markets, culture, business practices, supplier base, and local Government. This information will help contingency contracting officers better support the deployed force early on, when contingency contracting is most critical. The end result of networking will be better performance, reduced risk, and reduced costs.

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V. CONCLUSION

Complex emergencies inextricably link humanitarian and military entities in a bond of mutual dependence and reliance, which in turn requires information sharing across organizational lines.

2001 Civil Affairs Conference Report
United States Institute for Peace

A. PURPOSE

This chapter summarizes the research presented in chapters I through IV. It restates and answers the primary and secondary research questions. It then offers conclusions and recommendations for application of PVO best practices to contingency contracting. This chapter concludes with recommendations for further research (see Table V-1).

Chapter Outline	
A. Purpose	D. Conclusions
B. Primary Research Question - Asked and Answered	E. Recommendations
C. Secondary Research Questions - Asked and Answered	F. Recommendations for Further Research

Table V-1

B. PRIMARY RESEARCH QUESTION - ASKED AND ANSWERED

This thesis' primary goal was to determine which best practices can be gleaned by comparing and contrasting the procurement methods of private volunteer organizations and contingency contracting operations when responding to remote regions in crisis.

My analysis of Heart to Heart and Samaritan's Purse identifies three best practices applicable to contingency contracting:

- In-depth training that fully prepares the project manager/coordinator to execute humanitarian operations;
- Empowerment of the project manager/coordinator to procure resources and expend funds without seeking prior approval;

- Networking with other PVOs before and during humanitarian operations to gather market information.

C. SUBSIDIARY RESEARCH QUESTIONS - ASKED AND ANSWERED

1. What parallels exist between the missions PVOs perform and stability operations that lend credence to a comparison of their procurement systems?

Like the military, PVOs must often deliver personnel, equipment, and supplies to remote locations on short notice. PVOs are varied in structure and mission, but operate in the same austere, hazardous environments, and often at the same time as U.S. military forces. PVOs often choose the same supply routes, coordinate with the same host nation officials, and seek to assist the same population as the military. Furthermore, the obstacles PVO procurement personnel must overcome to successfully execute their mission are very similar to the military's contingency contracting officers, including resource shortfalls, threat of injury, and a need to respond rapidly to a dynamic environment. The procurement needs of PVOs – water, shelter, construction materials, etc. – are common military needs as well.

2. How are PVO procurement and contingency contracting similar/different in:

- Degree of preparation prior to negotiation and execution of contracts?
- Policies, regulations, and standing operating procedures?
- Organizational structure, reporting, warranting, and authority?

Contingency contracting officers conduct market research and planning procurement actions in a more structured manner than private volunteer organizations. PVOs have less formal procedures and therefore much more flexibility. Pre-negotiation preparation consists of identifying the needs and conducting informal market research through networking with other PVOs before purchase. Heart to Heart and Samaritan's Purse have guidebooks in

development to aid their personnel, but have no strict procurement procedures like the FAR. PVO guidelines are carefully crafted to not limit the flexibility and authority of the senior person in country.

PVO organizational structure is more flat than the military, with the authority to make purchases resting fully with the coordinator or project manager on the ground. With few exceptions, approval for purchases need not be sought. Accounting for expenditures, however, is aggressive. PVOs do not warrant their country coordinators/managers. Persons are assigned to positions of fiscal authority only after extensive training and are proven to be trustworthy.

3. How are PVO procurement and contingency contracting similar/different in:

- Types of contracts used?
- Prices paid on similar contracts in the same region?
- Methods for establishment of in-country operations?
- Methods of contracting while sustaining operations?

PVOs predominantly used oral agreements and undefinitized agreements early in humanitarian operations, then transition to predominantly purchase orders as the situation stabilizes. Undefinitized agreements include faxed or e-mailed offers, and bills of materials for proposed construction services. Such agreements are not considered incomplete (undefinitized) by the PVOs, and payments are rendered without formal written contracts. In contrast, contingency contracting officers execute contracts in accordance with regulations. Undefinitized agreements are converted to formal contracts. Also, there is little similarity of contract types between the studied PVOs and contingency contracting actions. I could not make price comparisons due to operational security, the nature and short duration of the research in Uzbekistan with Heart to Heart's medical airlift, and the lack of written contracts by the studied PVOs.

Heart to Heart and Samaritan's Purse establish and sustain operations and support their procurement through networking. Networking is their primary

source of intelligence as well as market information. Procurement is a duty of the project manager in country, and he or she has full authority over procurement decisions.

4. How can best practices learned from PVO procurement be incorporated into contingency contracting?

a. Training

In-depth, hands-on training of contingency contracting officers can be achieved by expanding their training opportunities. This can be achieved through a short temporary duty (TDY) to an ongoing contingency operation, by internships with PVOs, or training simulations and scenarios. These training methods are discussed more in the recommendations section.

b. Financial Empowerment

Empowerment of contingency contracting officers that are first responders to a contingency with complete financial control can be achieved through the application of Executive Order 10789, which gives the agency secretary the ability to delegate authority for purchases of under \$50,000 to whomever necessary in the interest of national defense. This additional authority should be temporary – only until the operation stabilizes – and does not relieve the contingency contracting officer of requirements to properly account for funds.

c. Networking

Networking with PVOs before and during stability operations to gather market information can be achieved by using the CMOC as a conduit into the PVO community. Contingency contracting officers selected to support a stability operation can also use internet resources such as ReliefWeb© and InterAction© to identify PVOs already working in the theater of operations and contact these organizations prior to deployment. Other sources for PVO contacts include the Humanitarian Operation Center, the Humanitarian Assistance Coordination Center, the U.S. Embassy or Consulate, or USAID.

5. What barriers exist that prevent implementation of best practices discovered, and how can these barriers be overcome?

a. *Barriers to Additional Training*

The barriers to implementing internships with PVOs or TDYs with deployed contingency contracting cells are personnel and funding shortfalls. These resource shortfalls cannot be overcome. Rather, this additional training should be carefully limited to a select few contingency contracting officers to minimize their impact. Significantly, the need for and benefits of this training grow as the military performs fewer stability operations. When there are fewer deployments, contingency contracting officers are not as critical to their units. Also, training funds are more available. Therefore, as the need for the training increases, resource availability also increases.

b. *Barriers to Financial Empowerment*

The Federal Acquisition Regulations prevent senior contracting officials from delegating additional monetary authority to contingency contracting officers and providing them with relief from unnecessary documentation. This barrier exists in part because the full power of Executive Order 10789 and 29 USC 1431 is rarely applied. When invoked, Executive Order 10789 and 29 USC 1431 grant contingency contracting officers complete control of purchases under \$50,000. A risk-averse administrative culture can sometimes become a barrier to delegation of such broad contracting authority.

For contingency contracting officers to obtain the flexibility and responsiveness they require to be more responsive, Executive Order 10789 and 29 USC 1431 must be invoked so that regulatory requirements can be waived. To invoke when appropriate these powers, leaders with delegation authority at all levels must shift from risk aversion to risk management, understanding that the benefits of empowerment outweigh the limited risk of granting contingency contracting officers full control over purchases under \$50,000. Also, only contingency contracting officers who have previously demonstrated reliability and

sound judgment in positions of significant responsibility should be selected as first responders. The additional training recommended by this thesis will help prepare contingency contracting officers for thoughtful application of financial empowerment. Extant financial accountability and careful selection of contingency contracting officers granted additional authority should successfully mitigate the risks of financial empowerment.

Additionally, during the contingency planning process, the contacting staff must include the invocation and duration of needed waivers into the contingency contracting support plan. The hours prior to a short-notice contingency contracting operation are not the time to explain the need to empower contingency contracting officers.

c. Barriers to Networking

Physical separation is a barrier to networking. It is difficult to communicate with groups that do not have ready access to contingency contracting officers. Locating contracting operations adjacent to the CMOC can easily reduce the physical barriers. This enables contingency contracting officers to network with PVOs as they visit the CMOC for updates and coordination.

Proprietary data restrictions limit the information that can be made available to PVOs. To avoid inadvertent release of restricted information, contingency contracting officers may be averse to networking. Diligence, and releasing written, informal synopses of awards via a bid board can prevent accidental disclosures of proprietary data.

If the contingency contracting officer remains mindful of proprietary data restrictions when networking with PVOs, the only remaining barrier to networking is cultural biases between PVOs and the military. Members of both organizations may view each other through stereotypic lenses that prevent cooperation. PVOs fear that by cooperating with the military they may lose their reputation for neutrality. Military members may see PVOs as nuisances that complicate if not frustrate stability operations. Cultural biases can be overcome by increased exposure, civil-military conferences during peacetime, and through

internships. Presidential Decision Directive 56 mandates interagency cooperation and encourages including NGOs and PVOs into the planning and coordination of complex contingency operations.

D. CONCLUSIONS

PVOs have a more flexible system by which they manage, fund, and execute humanitarian operations and the procurement necessary to support those operations. The lead person on the ground has the management and financial authority to rapidly make decisions and commit resources to meet the needs of the humanitarian crisis. The country coordinator or project manager on the ground does not make these critical decisions without extensive training as noted above. Finally, PVOs network continuously with each other to obtain market and socio-economic information to improve their decision-making. These methods enable PVOs to quickly, successfully, and efficiently respond to crises. These same practices can be successfully applied to contingency contracting.

E. RECOMMENDATIONS

- Develop realistic contingency contracting scenarios to augment current contingency contracting training following a case study format. Conduct interviews with experienced contingency contracting officers to create realistic scenarios modeled after situations contingency contracting officers commonly face.
- Send one contracting officer per major command and joint command contracting offices for six months or less as an intern/military liaison to PVOs or NGOs conducting major humanitarian relief operations in the command's area of responsibility or theater. Attach this contracting officer to the procurement staff of the humanitarian organization. Upon return to the contracting office, task the officer to train other contracting officers on PVO culture, working with PVOs, business culture, socio-economic conditions, and negotiating in the area of responsibility.
- Send contracting officers that have just completed CON 234 and are slated to perform contingency contracting duties TDY for up to six weeks to an operating, forward deployed contingency contracting cell to augment the cell and gain first hand experience.

- Empower contingency contracting officers first responding to stability operations with complete control of the funds. Invoke Executive Order 10789 to delegate the contingency contracting officers establishing operations the ability to make any and all decisions regarding purchases under \$50,000 without requesting approval from higher levels, writing J&As, or D&Fs. Revoke this exceptional authority as soon as the contracting situation stabilizes and basic needs are procured for the supported force.
- Include emphasis on networking with PVOs and NGOs to obtain market information in contingency contracting training materials and the contracting regulations and guidebooks. Emphasize the CMOC as link to humanitarian organizations.
- Co-locate the Joint Contracting Cell with the Civil-Military Operations Center to leverage each cell's capabilities with the other.

F. RECOMMENDATIONS FOR FURTHER RESEARCH

- Determine the feasibility of creating interactive contingency contracting training scenarios using existing web-based technology or CD-ROM. Develop a prototype to test the feasibility and evaluate the training value of computer-based training simulations.
- Assess the feasibility of developing fully empowered Early Entry Contracting Teams as an accepted, doctrinal method of executing the first six weeks of stability operations. Determine what size, organizational structure, equipment, and additional authority would create the most responsive team. Determine at what level of command these teams should reside.
- Analyze the nearly 200 contracting lessons learned stored in the Joint Center for Lessons Learned database, conducting trend analysis and Pareto analysis, to glean critical lessons learned, reveal needed FAR and FAR Supplement changes, and avoid re-learning old lessons.

APPENDIX A

MAPS OF CENTRAL ASIA

The Caucasus and Central Asia



Figure A-1 Central Asia [From: Ref. 53]



FigureA-2 Republic of Uzbekistan [From: Ref. 53]

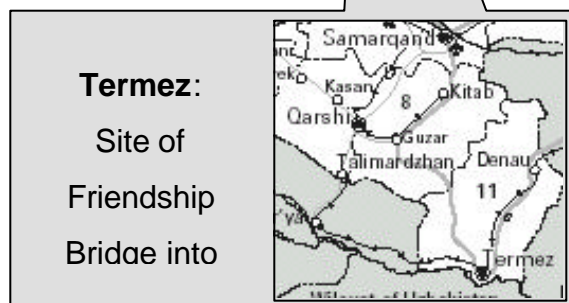




Figure A-3 Islamic State of Afghanistan [From: Ref. 23]

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APPENDIX B

The Clinton Administration's Policy on Managing Complex Contingency Operations

Presidential Decision Directive 56

May 1997

Purpose

This White Paper explains key elements of the Clinton Administration's policy on managing complex contingency operations. This unclassified document is promulgated for use by Government officials as a handy reference for interagency planning of future complex contingency operations. Also, it is intended for use in U.S. Government professional education institutions, such as the National Defense University and the National Foreign Affairs Training Center, for coursework and exercises on interagency practices and procedures. Regarding this paper's utility as representation of the President's Directive, it contains all the key elements of the original PDD that are needed for effective implementation by agency officials. Therefore, wide dissemination of this unclassified White Paper is encouraged by all agencies of the U.S. Government. Note that while this White Paper explains the PDD, it does not override the official PDD.

Background

In the wake of the Cold War, attention has focused on a rising number of territorial disputes, armed ethnic conflicts, and civil wars that pose threats to regional and international peace and may be accompanied by natural or manmade disasters which precipitate massive human suffering. We have learned that effective responses to these situations may require multi-dimensional operations composed of such components as political/diplomatic, humanitarian, intelligence, economic development, and security: hence the term complex contingency operations.

The PDD defines "complex contingency operations" as peace operations such as the peace accord implementation operation conducted by NATO in Bosnia (1995-present) and the humanitarian intervention in northern Iraq called Operation Provide Comfort (1991); and foreign humanitarian assistance operations, such as Operation Support Hope in central Africa (1994) and Operation Sea Angel in Bangladesh (1991). Unless otherwise directed, this PDD does not apply to domestic disaster relief or to relatively routine or small-scale operations, nor to military operations conducted in defense of U.S. citizens, territory, or property, including counter-terrorism and hostage-rescue operations and international armed conflict.

In recent situations as diverse as Haiti, Somalia, Northern Iraq, and the former Yugoslavia, the United States has engaged in complex contingency operations in coalition, either under the auspices of an international or regional organization or in ad hoc, temporary coalitions of like-minded states. While never relinquishing the capability to respond unilaterally, the PDD assumes that the U.S. will continue to conduct future operations in coalition whenever possible.

We must also be prepared to manage the humanitarian, economic and political consequences of a technological crisis where chemical, biological, and/or radiological hazards may be present. The occurrence of any one of these dimensions could significantly increase the sensitivity and complexity of a U.S. response to a technological crisis.

In many complex emergencies the appropriate U.S. Government response will incur the involvement of only non-military assets. In some situations, we have learned that military forces can quickly affect the dynamics of the situation and may create the conditions necessary to make significant progress in mitigating or resolving underlying conflict or dispute. However, we have also learned that many aspects of complex emergencies may not be best addressed through military measures. Furthermore, given the level of U.S. interests at stake in most of these situations, we recognize that U.S. forces should not be deployed in an operation indefinitely.

It is essential that the necessary resources be provided to ensure that we are prepared to respond in a robust, effective manner. To foster a durable peace or stability in these situations and to maximize the effect of judicious military deployments, the civilian components of an operation must be integrated closely with the military components.

While agencies of Government have developed independent capacities to respond to complex emergencies, military and civilian agencies should operate in a synchronized manner through effective interagency management and the use of special mechanisms to coordinate agency efforts. Integrated planning and effective management of agency operations early on in an operation can avoid delays, reduce pressure on the military to expand its involvement in unplanned ways, and create unity of effort within an operation that is essential for success of the mission.

Intent of the PDD

The need for complex contingency operations is likely to recur in future years, demanding varying degrees of U.S. involvement. The PDD calls for all U.S. Government agencies to institutionalize what we have learned from our recent experiences and to continue the process of improving the planning and management of complex contingency operations. The PDD is designed to ensure that the lessons learned -- including proven planning processes and implementation mechanisms -- will be incorporated into the interagency process on a regular basis. The PDD's intent is to establish these management practices to achieve unity of effort among U.S. Government agencies and international organizations engaged in complex contingency operations. Dedicated mechanisms and integrated planning processes are needed. From our recent experiences, we have learned that these can help to:

- identify appropriate missions and tasks, if any, for U.S. Government agencies in a U.S. Government response;
- develop strategies for early resolution of crises, thereby minimizing the loss of life and establishing the basis for reconciliation and reconstruction;

- accelerate planning and implementation of the civilian aspects of the operation;
- intensify action on critical funding and personnel requirements early on;
- integrate all components of a U.S. response (civilian, military, police, etc.) at the policy level and facilitate the creation of coordination mechanisms at the operational level; and
- rapidly identify issues for senior policy makers and ensure expeditious implementation of decisions.

The PDD requires all agencies to review their legislative and budget authorities for supporting complex contingency operations and, where such authorities are inadequate to fund an agency's mission and operations in complex contingencies, propose legislative and budgetary solutions.

Executive Committee

The PDD calls upon the Deputies Committee to establish appropriate interagency working groups to assist in policy development, planning, and execution of complex contingency operations. Normally, the Deputies Committee will form an Executive Committee (ExCom) with appropriate membership to supervise the day-to-day management of U.S. participation in a complex contingency operation. The ExCom will bring together representatives of all agencies that might participate in the operation, including those not normally part of the NSC structure. When this is the case, both the Deputies Committee and the ExCom will normally be augmented by participating agency representatives. In addition, the chair of the ExCom will normally designate an agency to lead a legal and fiscal advisory sub-group, whose role is to consult with the ExCom to ensure that tasks assigned by the ExCom can be performed by the assigned agencies consistent with legal and fiscal authorities. This ExCom approach has proved useful in clarifying agency responsibilities, strengthening agency accountability, ensuring interagency coordination, and developing policy options for consideration by senior policy makers.

The guiding principle behind the ExCom approach to interagency management is the personal accountability of presidential appointees. Members

of the ExCom effectively serve as functional managers for specific elements of the U.S. Government response (e.g., refugees, demobilization, elections, economic assistance, police reform, public information, etc.). They implement the strategies agreed to by senior policy makers in the interagency and report to the ExCom and Deputies Committee on any problems or issues that need to be resolved.

In future complex contingency operations to which the United States contributes substantial resources, the PDD calls upon the Deputies Committee to establish organizational arrangements akin to those of the ExCom approach.

The Political-Military Implementation Plan

The PDD requires that a political-military implementation plan (or "pol-mil plan") be developed as an integrated planning tool for coordinating U.S. Government actions in a complex contingency operation. The pol-mil plan will include a comprehensive situation assessment, mission statement, agency objectives, and desired endstate. It will outline an integrated concept of operations to synchronize agency efforts. The plan will identify the primary preparatory issues and tasks for conducting an operation (e.g., congressional consultations, diplomatic efforts, troop recruitment, legal authorities, funding requirements and sources, media coordination, etc.). It will also address major functional / mission area tasks (e.g., political mediation / reconciliation, military support, demobilization, humanitarian assistance, police reform, basic public services, economic restoration, human rights monitoring, social reconciliation, public information, etc.). (Annex A contains an illustrative outline of a pol-mil plan.)

With the use of the pol-mil plan, the interagency can implement effective management practices, namely, to centralize planning and decentralize execution during the operation. The desired unity of effort among the various agencies that is created through the use of the pol-mil plan contributes to the overall success of these complex operations.

When a complex contingency operation is contemplated in which the U.S. Government will play a substantial role, the PDD calls upon the Deputies Committee to task the development of a pol-mil plan and assign specific responsibilities to the appropriate ExCom officials.

Each ExCom official will be required to develop their respective part of the plan, which will be fully coordinated among all relevant agencies. This development process will be transparent and analytical, resulting in issues being posed to senior policy makers for resolution. Based on the resulting decisions, the plan will be finalized and widely distributed among relevant agencies.

The PDD also requires that the pol-mil plan include demonstrable milestones and measures of success including detailed planning for the transition of the operation to activities which might be performed by a follow-on operation or by the host Government. According to the PDD, the pol-mil plan should be updated as the mission progresses to reflect milestones that are (or are not) met and to incorporate changes in the situation on the ground.

Interagency Pol-Mil Plan Rehearsal

A critical aspect of the planning process will be the interagency rehearsal/review of the pol-mil plan. As outlined in the PDD, this activity involves a rehearsal of the plan's main elements, with the appropriate ExCom official presenting the elements for which he or she is responsible. By simultaneously rehearsing/reviewing all elements of the plan, differences over mission objectives, agency responsibilities, timing/synchronization, and resource allocation can be identified and resolved early, preferably before the operation begins. The interagency rehearsal/review also underscores the accountability of each program manager in implementing their assigned area of responsibility. During execution, regular reviews of the plan ensure that milestones are met and that appropriate adjustments are made.

The PDD calls upon the Deputies Committee to conduct the interagency rehearsal/review of the pol-mil plan. Supporting agency plans are to be presented by ExCom officials before a complex contingency operation is

launched (or as early as possible once the operation begins), before a subsequent critical phase during the operation, as major changes in the mission occur, and prior to an operation's termination.

After-Action Review

After the conclusion of each operation in which this planning process is employed, the PDD directs the ExCom to charter an after-action review involving both those who participated in the operation and Government experts who monitored its execution. This comprehensive assessment of interagency performance will include a review of interagency planning and coordination, (both in Washington and in the field), legal and budgetary difficulties encountered, problems in agency execution, as well as proposed solutions, in order to capture lessons learned and to ensure their dissemination to relevant agencies.

Training

The U.S. Government requires the capacity to prepare agency officials for the responsibilities they will be expected to take on in a planning and managing agency efforts in a complex contingency operation. Creating a cadre of professionals familiar with this integrated planning process will improve the USG's ability to manage future operations.

In the interest of advancing the expertise of Government officials, agencies are encouraged to disseminate the *Handbook for Interagency Management of Complex Contingency Operations* published by OASD(S&R) Strategy at (703) 614-0421.

With the support of the State and Defense Departments, the PDD requires the NSC to work with the appropriate U.S. Government educational institutions--including the National Defense University, the National Foreign Affairs Training Center and the Army War College--to develop and conduct an interagency training program. This program, which should be held at least annually, will train mid-level managers (Deputy Assistant Secretary level) in the development and implementation of pol-mil plans for complex contingency operations. Those

participating should have an opportunity to interact with expert officials from previous operations to learn what has worked in the past. Also, the PDD calls upon appropriate U.S. Government educational institutions to explore the appropriate way to incorporate the pol-mil planning process into their curricula.

Agency Review and Implementation

Finally, the PDD directs each agency to review the adequacy of their agency's structure, legal authorities, budget levels, personnel system, training, and crisis management procedures to insure that we, as a Government, are learning from our experiences with complex contingency operations and institutionalizing the lessons learned.

Annex A: Illustrative Components of a Political-Military Plan for a Complex Contingency Operation

- Situation Assessment. A comprehensive assessment of the situation to clarify essential information that, in the aggregate, provides a multi-dimensional picture of the crisis.
- U.S. Interests. A statement of U.S. interests at stake in the crisis and the requirement to secure those interests.
- Mission Statement. A clear statement of the USG's strategic purpose for the operation and the pol-mil mission.
- Objectives. The key civil-military objectives to be accomplished during the operation.
- Desired Pol-Mil End State. The conditions the operation is intended to create before the operation transitions to a follow-on operation and/or terminates.
- Concept of the Operation. A conceptual description of how the various instruments of USG policy will be integrated to get the job done throughout all phases of the operation.
- Lead Agency Responsibilities. An assignment of responsibilities for participating agencies.
- Transition/Exit Strategy. A strategy that is linked to the realization of the end state described above, requiring the integrated efforts of diplomats, military leaders, and relief officials of the USG and the international community.
- Organizational Concept. A schematic of the various organizational structures of the operation, in Washington and in theater, including

a description of the chain of authority and associated reporting channels.

- Preparatory Tasks. A layout of specific tasks to be undertaken before the operation begins (congressional consultations, diplomatic efforts, troop recruitment, legal authorities, funding requirements and sources, media coordination, etc.).
- Functional or Mission Area Tasks / Agency Plans. Key operational and support plans written by USG agencies that pertain to critical parts of the operation (e.g., political mediation/reconciliation, military support, demobilization, humanitarian assistance, police reform, basic public services, economic restoration, human rights monitoring, social reconciliation, public information, etc.).

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